Daily Report

Latin America

FBIS-LAT-92-047
Tuesday
10 March 1992

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FBIS-LAT-92-047 *10 March 1992*

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Mexico City NOTIMEX reports that Gerber Torres, president of the investment fund and the person in charge of the government's privatization program, resigned on 9 March during a "ministerial reshuffling" by President Carlos Andres Perez, who is seeking to form a national unity cabinet. NOTIMEX also reports the resignation of two supreme court magistrates, who resigned after President Perez "promised comprehensive changes in the judicial branch" in a draft bill to be presented to Congress this week. According to the report, the Supreme Court announced it would study the resignations and the "internal crisis" faced by the judicial branch.

Haiti

The provisional government announced last night the creation of a "three-member ministerial committee" and has given itself a deadline of 21 days "to find a solution to the Haitian crisis," Port-au-Prince Radio reports. According to the government, the committee has been formed in accordance with the Constitution and is comprised of the ministers of interior and national defense; foreign affairs and worship; and public works, transportation, and communications.

El Salvador

San Salvador TV reports that Radio Venceremos has officially inaugurated studios in Perquin. The report affirms that, for the FMLN, the inauguration "means the legalization of its only means of communication, which broadcast during the 11 years of the war in El Salvador."

Economy Ministers Seek Regional Tariff System

PA0703143892 Panama City ACAN in Spanish 2302 GMT 6 Mar 92

[Text] San Jose, 6 Mar (ACAN-EFE)—The Central American economy ministers on 6 March reached substantial agreements on trade relations with Mexico and Venezuela and on the completion of a regional tariff system, about which only three categories remain pending.

Costa Rican Economy Minister Gonzalo Fajardo explained that a basic agreement exists on the tariffs that will be charged on almost all imported products in each country; but the ministers must still decide on tariffs for textiles, tires, and glass containers.

The economy ministers will continue exchanging information over the next 15 days so the agreement can be completed at the economic cabinets meeting that will take place in Antigua, Guatemala, from 18 to 20 March.

In this tariff system, the same percentage will not necessarily be charged for each product in the five countries; but tariffs will be established by general agreement, considering each nation's situation.

The system will tend to set the highest tariffs at 20 percent and the lowest at 5 percent prior to 31 December 1992.

The ministers agreed to reactivate trade negotiations with Venezuela to broaden the list of Central American products that can enter that country tax free by virtue of an agreement signed in 1991 by Venezuelan President Carlos Andres Perez and his Central American colleagues.

Fajardo said Venezuela proposed a "very limited list of products" that would benefit from total tax exemption in that country, and that Central America had aspired to more.

"I understand very well the situation Venezuela is experiencing," said the Costa Rican minister in reference to the political crisis in that South American country, "but I hope it will not hinder the development of new trade relations."

A working group comprising two technicians from each country was formed and will propose the establishment of trade agreements between Central America and Mexico with a view to signing a free trade treaty.

The economy ministers's meeting was also an occasion to hold the general board meeting of the Central American Institute of Business Administration (ICAP), of which the ministers are members and which had not met for 14 years.

The ministers agreed to steer the regional institutional activities toward training human resources to modernize the state and to support the process of economic liberalization that is being promoted on the isthmus.

"We need qualified personnel to reorganize our ports and customs, guide the deregulation process and the lifting of commercial hindrances, and carry out trade negotiations," Fajardo said.

He added, "I believe the ICAP is the correct institution to provide those human resources."

Cuba

Aldana on Economic Crisis, New Oil Fields

PA1003001692 Hamburg DPA in Spanish
1710 GMT 9 Mar 92

[Text] Havana, 9 Mar (DPA)—Carlos Aldana, secretary of ideology and member of the the Central Committee of the Cuban Communist Party [PCC], has declared that the crisis triggered by the interruption in supplies from the former socialist bloc "has not yet bottomed out."

In exclusive statements to the German press agency DPA, Aldana pointed out that the further deterioration in the shortage of supplies would depend on the supply of fuels and other materials, as well as on the marketing of the principal products of Cuba on the world market.

Aldana said that the tough measures adopted within the framework of the "special period" have managed to offset the situation and that the so-called "zero option" mentioned in recent months with regard to the prospects of a total shortage of supplies is "mythical."

Aldana, considered "the third man" in the Cuban hierarchy, also confirmed the discovery of "new oil fields," equally "modest" as those that for several years have been exploited in the northwestern area of the nation, but of "very high quality."

"Currently, the U.S. blockade has little bearing on us. They are tightening the screws a little, but not much more than that. In our situation, the second blockade is decisive, that is, the result of the collapse of the socialist bloc," Aldana said in the part of the interview that dealt with the economic issue.

He added that this situation is "involuntary," since "there is no political decision by the Russian Government to blockade Cuba or anything like that."

What there is, he explained, is a change in the former Soviet Republics that has set off "disorder, disorganization, inexperience, incompetence, and tendencies that require time to be worked out, but which have been a tragedy for us, a true catastrophe."

"All our sources of supplies, raw materials, food, machinery, spares parts, components, equipment, transport vehicles, all of this, all of a sudden failed," leaving behind a total shortage of supplies, he noted.

After pointing out that Cuba does not minimize the consequences of the situation, particularly with regard to the basic issue of fuel, he recalled that the island's consumption had reached over 13 million [unit measure not given] of oil three years ago, and that last year it fell to less than 10 million.

"I could not give you a fixed number of how much we are going to receive this year or of how much we can purchase, but I assume, without being optimistic or pessimistic, that we will have to manage with half of what we received in 1991," Aldana said.

Meanwhile, he said, the supply of crude oil is only one of the supply problems. There is also a problem of cash.

"What I mean is that currently anyone could offer to sell us oil at world market prices in cash, but we would have to say thank you, but no thank you; that is our reality," Aldana admitted.

"We do not have hard currency, hard cash. We have sugar, nickel, citrus fruit, rum, tobacco, medicine, and healthy beaches to offer. This is what we can barter for oil, at world prices, because we cannot aspire to anything else."

Aldana added that current trade with Russia has come down to that, the barter of sugar for oil. He did not supply any numbers.

However, Aldana said that not even sugar could resolve Cuban needs for fuel, because at the current world prices, the export of 4 to 5 million tons of sugar would only be enough to purchase 6 or 7 million tons of oil.

He added that the lifting of the U.S. blockade would not automatically mean a solution to this problem, under "no Cuban Government, be it this one or another."

"The United States has spent much more money to destroy the Sandinists than to help establish Violeta Chamorro's government, and in Panama they still have not paid the people for the homes they destroyed," he noted.

Those responsible for the PCC ideology have appeared optimistic about the results of the petroleum exploration currently being undertaken on the island.

Without giving any precise details, he said that "some new fields, equally modest, but of a much superior quality" of light crude oil have now been added to the "stable and modest extraction" of heavy petroleum in the northwestern part of the nation."

"There are capitalist companies that are very interested in undertaking exploration at their risk, and I have no official preconception against capitalists. I respect those proposals because I assume that none of the companies want to throw away their money."

The Cuban Government currently has an exploitation contract with the French company "Total" and is negotiating other contracts, not yet concluded, with "Petrobas" of Brazil.

Aldana said that the cut in Soviet supplies forced Cuba to "readjust" within the framework of the "special period," during which some alternatives and solutions have come up based on saving and rationing. "I believe that we have realized that to a certain extent we were squandering our supplies," Aldana added.

Aldana pointed out that one of the solutions was the massive introduction of the use of the bicycle, which will lead within a few years to this being the only means of

transportation for the typical Cuban. "This is going to be the nation of palm trees and bicycles. China is going to be chicken feed next to Cuba," he declared.

With regard to food, a priority item during the current "special period," Aldana said that the Cuban people, forced by circumstances, have more and better products. He added: "Of course, we lack things, but we do not depend on them. We do not produce wheat, therefore, the availability of bread is limited."

Denying that political isolation affects Cuba in its new open investment policy, Aldana said that his country has received approximately 200 proposals from all over the world for the creation of mixed enterprises and that 80 of these proposals are "very attractive. The government has not yet been able to process and study them and prepare replies."

"We need cooperation. We are not requesting economic aid or support in the form of loans or preferential commercial relations. We do want, however, to talk business in terms of mutual profit. We are willing to consider proposals and make offers," he said.

Finally, he added that this willingness does not deal exclusively with tourism, but with all branches of economy for which Cuba does not have capital, technology, or markets.

Armed Forces Research Sector To Open Facility

FL0903234192 Havana Radio Rebelde Network in Spanish 1000 GMT 9 Mar 92

[Text] The beginning of operations of a [words indistinct] laser facility and a nickel polishing implement are among the projects to be completed by the Revolutionary Armed Forces research and development sector during 1992. In both cases, construction is in the finishing stages, and the equipment will replace costly imports while making it possible to conduct specialized work in the fields of laser optics and galvanization in response to the specific needs of enterprises and agencies. Other goals are to replace nickel sulfates and anodes with substitutes produced in Moa, modernize infantry equipment and armament, and produce high-precision tools for metal cutting and lathe work.

Mexican Foreign Secretary Explains Abstention

FL0603215592 Havana Radio Rebelde Network in Spanish 1800 GMT 6 Mar 92

[Text] In statements to the Mexican press, Mexican Foreign Secretary Fernando Solana said Mexico had abstained from voting on the anti-Cuban resolution adopted by the UN Human Rights Commission in Geneva in order to separate any political manipulation or intention from a real defense of human rights. The Mexican foreign secretary specified: We do not think international organizations should be used as instruments for specific political purposes.

He also acknowledged that there are times when, as regards human rights specifically, these cases unfortunately take on a character having much more to do with politics than with a real defense of human rights.

With respect to Cuba, Solana reiterated that his government maintains normal relations with Havana, and that it is up to the Cubans alone to solve their problems without confrontations. The Mexican foreign secretary said: We wish to see Cuba fully integrated into the Ibero-American community and in full economic development.

TANA Rejects Human Rights Commission Resolution

FL0703131592 Havana Radio Reloj Network in Spanish 2032 GMT 6 Mar 92

[Text] The Mexican branch of the Anti-Imperialist Tribunal of Our America [TANA] stated today that the anti-Cuban resolution approved by the UN Human Rights Commission is only an attempt to justify greater aggression against Cuba. In a letter published in the newspaper EL DIA, the TANA points out that this rejection demonstrates the falsity and hypocrisy of the accusations raised against Cuba and that these are based on intrigues by the George Bush government to justify greater aggression.

The TANA adds that the Commission's decision confirms once more its unjust policy against the Third World. This policy has surfaced on previous occasions with its powerlessness to intervene during the aggressions against Panama, Palestine, the Falkland Islands, and Grenada, and in the war against Iraq. The TANA affirmed that this has led to a total lack of credibility for this organization, whose true function has to do with defending the interests of the rich countries of the North.

Castro Tours Guira de Melena Agricultural Camp

FL1003015692 Havana Radio Rebelde Network in Spanish 0000 GMT 10 Mar 92

[Report by Uliser Hernandez Ortiz on the "Exclusivo" program]

[Text] Just minutes ago, Commander in Chief Fidel Castro Ruz visited Guira de Melena Municipality and toured the Victory Smiles Camp. He was accompanied by (Manuel Cabanes Godoi), first secretary of the Communist Party of Cuba in Guira de Melena. (Cabanes) gave the maximum leader of the Revolution a detailed briefing on the potato harvest, which has already begun. Fidel was also interested in the carrot, beet, and banana crops in this camp.

The Victory Smiles Camp houses workers from the Ministry of Foreign Relations from Havana and other mobilized workers who are supporting the food program in Guira de Melena. The maximum leader of the Revolution praised the workers, who, at the time of his arrival at about 1600, were harvesting carrots. The maximum leader of the revolution also conversed with Florentino

Lemus, director of the Guira de Melena Vegetable Crops Enterprise. Lemus informed Fidel on future plans and the possibilities for the high yields which are expected from the potato harvest which, as I said before, began in Guira de Melena a few days ago.

Raul Castro Visits Guira de Melena EJT Camp

FL1003030192 Havana Radio Reloj Network in Spanish 0204 GMT 10 Mar 92

[Text] Army General Raul Castro Ruz, minister of the Revolutionary Armed Forces, visited the BON [expansion unknown] 605 of the Youth Labor Army [EJT] located at the Sierra Maestra Camp in Guira de Melena, Havana. Upon arrival, Raul gave workers and officers of the unit a congratulatory message from Commander in Chief Fidel Castro, who had just recently visited the camp, and was very pleased with the work of the combatants and the achievements of the battalion in the food program.

The second secretary of the Central Committee of the Communist Party of Cuba [PCC] was interested in the political and moral state of the troops, to which they responded that they were fine and were willing to continue carrying out the assigned tasks. Raul characterized the results of the food program as an integral activity in the special period. He said that in these three years of hard work they have been able to grow despite the difficulties and that the results can be seen in the production of tubers and vegetables.

During his visit to the BON 605 of the EJT at the Sierra Maestra Camp in Guira de Melena, Army General Raul Castro received information from the chief of the unit, Captain Ricardo Puentes Cisneros. The chief of the battalion explained to Raul the production activities that the soldiers carry out in the fields in the potato, bean, and tomato harvests, as well as in cultivating bananas and other crops. Raul also learned that the unit's quota of 50,000 quintals of potatoes has been met and that so far they have collected 56,000 quintals.

Before leaving, Raul was given a message of revolutionary reaffirmation on behalf of all the soldiers. They promised that they would carry out the food program and all other tasks that the PCC and Fidel propose so they can contribute with their efforts in saving the revolution, the fatherland, and socialism.

Thousands Mobilized During Peak Harvest

FL0903172692 Havana Radio Rebelde Network in Spanish 1000 GMT 9 Mar 92

[Live relay by correspondent Cabrera Peinado from Pinar de Rio Province on the Haciendo Radio program]

[Text] On 8 March, we had an opportunity to conduct an important inspection of the progress chart of the tobacco crop where there is such an accelerated pace that the Pinar del Rio Province has declared A Call to Action Stations [zafarrancho de combate] because three important harvests are coinciding. Tobacco is a decisive crop, the most important in the region in terms of its contribution to the national economy. There is also the tomato crop, which is in its peak harvest period. As you know, it is being harvested and the red road has been set up from Pinar del Rio to Havana, from Los Palacios to Havana City, because there are more than 18,000 quintals.

To give you an idea, Pinar del Rio presently has over 30,000 workers mobilized in agriculture. Over 30,000 mobilized workers. In one municipality alone, the capital municipality of Pinar del Rio, there are more than 8,000 workers. A few days ago we heard the GRANMA front page report on Camaguey which has 12,000 mobilized workers; well, here we have more than 30,000. This gives you an idea of the significance of this. There are workers staying in camps tens and tens of kilometers away from their homes and generally they are working very well.

The other crop is potatoes. As you know, the potato harvest is reaching its peak throughout the island. In this province more than 40 caballerias of potatoes are being harvested.

These three crops are not the only ones, of course. As you know, there are other important agricultural activities that take place; but the peak period of these three crops has coincided. Because the concurrence of these important harvests demands a colossal effort from the locals, the party leadership has declared A Call to Action Stations in the region.

Agricultural Distribution Centers Extend Hours

FL0703193792 Havana Radio Rebelde Network in Spanish 1800 GMT 7 Mar 92

[Text] During a Cuban Workers Federation plenary session held in the capital, it was announced that the province's agricultural distribution centers and retail networks are going to extend their work schedules so as to be able to handle the peaks in harvesting that are approaching. These peaks will be occurring particularly starting in the second half of March.

It was announced that the agricultural distribution centers will be ready to receive and distribute products 24 hours a day. For their part, the retail networks—that is, the large and small produce markets—will operate continuously and even late into the afternoon on Sundays, whenever the situation so requires. This will mean that the distribution of products can be guaranteed at any time of the day.

It was stated at the meeting that more than 170 special direct delivery brigades from the municipalities of Havana City Province will support the work of the Agro-92 campaign. Jorge Lezcano, a member of the Politburo and first secretary of the Communist Party of Cuba in the capital, said that during March the delivery

of agricultural products will increase to something on the order of 1.5 million quintales.

[Begin Lezcano recording] As we have said here, the units need to be able to receive the produce at any moment, any day, any hour. And once the produce has arrived at the unit, we need to distribute it just as rapidly as it has been produced, harvested, and transported; and because the population needs it rapidly, too. [end recording]

In support of the harvest, mobilizations of Havana residents to Havana Province will increase. By April, there will be more than 20,000 workers employed in agriculture.

Holguin Reports Potato Harvest Results

FL0703004492 Havana Cuba Vision Network in Spanish 2320 GMT 6 Mar 92

[Text] More than 30,000 quintals of potatoes have been harvested in Holguin. The best results of the harvest are being reported by La Entrada farm of the Wilfredo Pena Miscellaneous Crops Enterprise in the Calixto Garcia Municipality, with a yield of over 4,500 quintals per caballeria. In contrast to previous years, and with the purpose of reducing losses due to handling, the product is being sent directly from the field to the agrarian markets to be distributed immediately to the people.

This harvest has been guaranteed with the planting of 20 caballerias in the Jibara, Calixto Garcia, Sagua de Tanamo, and Holguin Municipalities. Of this total, 50 percent is located in the Arroyo Seco de Velazco Miscellaneous Crops Farm.

Projected 2,000 Housing Units for Pinar del Rio

FL1003025492 Havana Radio Reloj Network in Spanish 0209 GMT 10 Mar 92

[Text] According to predictions by enterprises belonging to the Ministry of Construction, Ministry of Agriculture, and other organizations, some 2,000 housing units are expected to be completed in Pinar del Rio Province this year.

Data from the provincial office of the National Housing Institute show there are currently more than 14,400 houses, under construction dating from last year or earlier, that have a possibility of being finished during this period.

Last year 2,095 housing units were built in Pinar del Rio, if one counts both those put up by the government and those built by private citizens with a certain amount of help from administrative organizations.

This year the people's government in Pinar del Rio is going to try to give as much help as possible to families that are building their houses, and not only in the provincial capital.

Haiti

Government Appoints Committee To Solve Crisis

FL1003130692 Port-au-Prince Radio Metropole in French 1200 GMT 10 Mar 92

[Text] The main point in the news today is obviously the political crisis in Haiti in light of this decision announced last night by the provisional government. The provisional government has announced the creation of a three-member ministerial committee and has given itself a deadline of 21 days to find, along with the Parliament, a solution to the political crisis. It was through the Information Ministry that the government informed the people of the formation of this three-member committee, established after the declaration of the Council of Ministers dated 27 February in which the Provisional Government announced its willingness to carry on with its mandate in interinstitutional concerted action.

The government advises that, in accordance with the provisions of the Constitution, a three-member ministerial committee has been formed and is charged with finding—with the Parliament—a solution to the Haitian crisis. This committee, whose mandate will last 21 working days starting yesterday, 9 March, will be made up of the ministers of interior and national defense; foreign affairs and worship; and public works, transportation, and communications.

Parliament Presidents Hold 'Important' Meeting

FL0903190892 Port-au-Prince Radio Metropole in French 1145 GMT 9 Mar 92

[Text] The presidents of the Senate and the Chamber of Deputies held an important meeting on Saturday, 7 March. Nothing about this meeting, which was termed as important by Dejean Belizaire and Alexandre Medard, was announced. Both Parliament's presidents contented themselves by announcing that the decisions taken during this meeting would be announced at the appropriate time. While awaiting the official publication of these parliamentary decisions, we have learned that the Parliament might be convoked this week in National Assembly for the ratification of the Washington agreement.

Interior Ministry on Parliamentarians' Safety

FL0903140492 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 9 Mar 92

["Communique" issued by the Interior Ministry; date not given]

[Text] The Interior Ministry reaffirms in this communique the willingness of the provisional government of the Republic to protect the constitutional rights of all members of the legislative body. According to Article 114.1 of the Constitution, by the very nature of their mission which is provided for in the country's fundamental law and the laws now in force, the parliamentarians cannot be prosecuted or attacked for their opinions or their votes in the execution of their duties.

The Interior Ministry reminds the senators and deputies of the the executive power's concern to develop and to defend the sacred principle of parliamentary security and protection for all the parliamentarians—that is to say they cannot be attacked—despite and especially because of the calls and intemperate language that threaten the people's deputies.

More Lower Chamber Reaction to Nerette Speech

FL0903174092 Port-au-Prince Radio Metropole in French 1145 GMT 9 Mar 92

[Text] The presidents of the parliamentary committees within the Chamber of Deputies announced on 6 March, a few hours after the provisional president's address, that they were aware of the grave and even unacceptable threats against the Parliament that Provisional President Joseph Nerette's speech holds. Furthermore, the presidents of the parliamentary committees think that those threats can in no way encourage in the country the atmosphere of agreement and unity that appears to be the wish of the president of the Republic.

Senator Mondestin 'Confident' of Ratification

FL0903170492 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 9 Mar 92

[Interview with Senator Rony Mondestin by unidentified reporter; place and date not given]

[Excerpts] Senator Rony Mondestin [close associate of Prime Minister-Designate Rene Theodore] supports the Senate president's communique which he says was issued to dispel any doubts in the minds of all people who think the 23 February agreement has sold out Haiti's sovereignty. The senator states that those who pretend to be defending the country's sovereignty are defending their own sovereignty but not the country's interests. [passage omitted]

Senator Rony Mondestin says he is very confident of the ratification of the Washington agreement. Let us listen to his remarks.

[Begin recording] [Mondestin] It is all in the past, my dear. President Nerette is in the past. History continues.

[Reporter] So, you believe it [?Nerette's speech] does not have any importance?

[Mondestin] It does not have any importance.

[Reporter] But do you not think it can influence the vote at the Parliament...?

[Mondestin, interrupting] Not at all.

[Reporter] Or worry senators and deputies?

[Mondestin] Why should they be worried? If President Nerette has a force with him, for instance, the werewolf that is frightening me should show his face.

[Reporter] So you are very optimistic about the ratification of the agreement?

[Mondestin] I am confident because I have been committed to the democratic battle for at least...[pauses] since 1974.

[Reporter] Senator Rony Mondestin is one of the senators who participated with the prime minister-designate in the negotiations that led to the 23 February agreement reached in Washington. [end recording]

Father Massacre Criticizes Nerette, Speech

FL0903182692 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 9 Mar 92

[Report by correspondent Jean-Marie Ferari]

[Excerpts] Father Yvon Massacre [staunch Aristide follower] has reacted after the 6 January [date as heard] message by Provisional President Joseph Nerette. According to Father Yvon Massacre, the executive has shown that it does not want the country to overcome the crisis which it is experiencing and that it wants no negotiation to succeed. In Father Yvon Massacre's opinion, it is like a war that the executive has declared on the Haitian people who have already voted and who do not want any rigged elections. [passage omitted]

Father Yvon Massacre labelled as incomprehensible the attitude of the executive who, he thinks, has thrown the people into deep anxiety and indignation. According to Father Massacre, this executive can do nothing for the country that is in deadlock and the situation is getting more serious day by day. Father Yvon Massacre stated that it is a small group of people preventing the parliamentarians from freely making a decision in compliance with the rights that the Constitution has given them. [passage omitted]

In his message, lawyer Joseph Nerette rejected the 23 February agreement for its unconstitutionality even though it provides for a negotiated solution to the country's problem. Father Yvon Massacre ends his note by urging the people to remain hopeful because, according to what he stated, the international community will not forget them. He has urged the people to remain mobilized without violence because he thinks a just God would never allow a situation in which people who are demanding their rights are always losing.

Conacom Seeks Nation's Support of Parliament

FL0903193392 Port-au-Prince Radio Tropic FM in French 1700 GMT 9 Mar 92

[Text] The National Congress of Democratic Movements, Conacom, sends a patriotic call to all sectors of the national life to prevent any new confrontations.

Conacom requests that the current provisional government understand that its desire to hold at any cost elections, which would essentially take place without

popular participation, would only serve to delay the desired national unity. May the Nerette-Honorat government have the intelligence to cooperate in helping to implement the negotiated solution, the first step of which was taken in Washington on 23 February.

To the Parliament which was able to handle these contradictions so that it found a way to sign an agreement between President Aristide and itself, Conacom asks that it quickly ratify the agreement so that the country can overcome its uncertainty.

To the Army, Conacom asks that it show that it can surpass itself and keep its commitment, which it has so many times repeated, by saying that it would accept the decisions taken by the civilian powers as provided for in the Constitution.

To the population, peasants, workers, manufacturers, businessmen, intellectuals, young people, all the population in Haiti or abroad who may be divided on one or another aspects of the agreement signed in Washington, Conacom asks that they bring through their respective associations their support to the Parliament in its effort for ratification.

Group Sees Theodore as 'Terrorist', 'Pawn'

FL0903231692 Port-au-Prince Radio Nationale in French 1800 GMT 9 Mar 92

["Press release" from the Patriotic Crusade; date and place not given—read by announcer]

[Text] Why do the OAS and U.S. Ambassador Alvin Adams want to impose on Haiti Mr. Rene Theodore, a licensed terrorist, as prime minister at any costs?

That is the question that one is entitled to ask. Indeed, the U.S. State Department can not ignore that Communist Rene Theodore was the mastermind in the kidnapping of American Ambassador Clinton Knox in January 1973. The Washington representative in Haiti at that time was kidnapped by a commando of armed men who later demanded the release of political prisoners, among them several communist militants, in return for Clinton Knox's life. Mr. Rene Theodore, alias Leslie, followed the same school as the famous international terrorist Carlos, of Venezuelan nationality. One can hardly imagine Venezuela accepting Carlos as prime minister.

Theodore might be a repentant communist. He remains dangerous. Nevertheless, the Haitian nation can not accept that foreigners impose on it a prime minister who has done nothing more in his life than working for the destabilization of the society. It would be unfair, immoral, and, ultimately, destructive for our country.

We understand however that Mr. Adams wants Mr. Theodore because he can manipulate him at will. The dossier of Communist Theodore, alias Leslie, is heavy. He is being blackmailed. He has become a pawn in the hands of international agencies.

We refuse to serve as a springboard for a policy contrary to our interests as a sovereign nation. No country has allowed a terrorist to come to power in that manner. It would be dangerous for our independence to allow a man whose destiny is determined abroad to lead the nation.

We are saying it clearly: The one who has been the mastermind of terrorist actions in Haiti can not become the prime minister in Haiti.

This is a press release from the Patriotic Crusade, issued under the title: Can a Terrorist Be Prime Minister of Haiti? It is signed by Paul Arthur.

MOP Asks Legislators for 'Patriotic Gesture'

FL0903232392 Port-au-Prince Radio Tropic FM in French 1700 GMT 9 Mar 92

["Press Release" from the Movement for the Organization of the Country; date and place not given—read by announcer]

[Text] The Movement for the Organization of the Country, MOP, thinks that it is unconstitutional to uphold this de facto government, which stems from the 30 September 1991 coup d'etat. The restoration of the legitimate power, based on the 16 December 1990 elections, is a requirement for the implementation of a state of order in Haiti, says MOP.

The OAS did not dictate solutions, and can not dictate solutions, to Haiti. Haiti, as a member country of that institution, has the right to solicit the setting up of proper mechanisms to help it overcome a crisis which manipulators of all sorts have created and are maintaining with a revolting cynicism.

The masks must fall. The country can no longer afford this macabre comedy which some bad actors, treading the rotten boards of a cramped nationalism, are desperately trying to offer as a show, thinking that this will disguise their infamy.

Haitian citizens: The MOP is inviting you to say no to imposture.

Haitian parliamentarians, the people are looking to you for the patriotic gesture which the moment demands.

Ministry Says Broadcast Comments Not Official

FL0903231592 Port-au-Prince Radio Tropic FM 1700 GMT 9 Mar 92

[Text] This is also an amazing communique issued by the Ministry of Information, Coordination, and Culture advising the nation that the political opinions broadcast on Radio Nationale d'Haiti [RNH] and Television Nationale d'Haiti [TNH] are personal opinions of those who express them. Those individuals who have appeared

as RNH and TNH guests have not spoken on behalf of the Provisional Government of the Republic at any time.

Some people are questioning this clarification from the Ministry of Information vis-a-vis the comments coming from individuals who share the same political trends and who are specifically special guests of the state-sponsored media.

Many observers think that the Ministry of Information, which is the institution that supervises the media, gives its backing to these political opinions.

Spanish Foreign Minister on Bilateral Relations

PA0603193592 Mexico City NOTIMEX in Spanish 0742 GMT 6 Mar 92

[Text] Mexico City, 6 Mar (NOTIMEX)—Spain must increase its presence in Latin America if it is to avoid being boxed in by the European Community, Jordi Sole Tura, Spanish minister for culture, said in Mexico City.

In the plenary session of the Mexico-Spain binational commission's second meeting, Sole and other personalities of the two countries discussed the changes in relations between Mexico and Spain.

During the second and last session of the commission, Sole said: "After many years of disagreement and difficult situations, we have finally established a relationship of equality without inferiority or superiority complexes."

In addition, Spanish Foreign Minister Francisco Fernandez-Ordonez said: "All the projects that the bilateral commission has studied so far will be reconsidered in relation to Spain, Mexico, and Latin America."

According to the economic agreement signed between Mexico and Spain on 11 January 1990, the two nations have pledged "to reinforce their bilateral relations without detriment to the international commitments of either of the two countries."

The document underlined the importance of investment and joint investment projects to develop new activities oriented toward priority areas and the acquisition of technology.

Francisco Rojas, director of Mexican Petroleum [Pemex], reported on the progress of the association between Pemex and the Spanish petroleum company Repsol, in which the Spanish Government is the majority shareholder.

Rojas pointed out that Pemex recently purchased 2.12 percent of Repsol's shares and that, with this operation, Pemex has acquired 5 percent of the total number of Repsol shares. The Mexican official also announced the intention of the two countries to refine Mexican heavy crude oil.

The agreement, which will last five years, from 1990 to 1994, stipulates the use of $4 billion to support commercial exchange and joint investment projects in the fields of trade, industry, fishing, tourism, communications, transport, and energy.

The two foreign ministers said that today they will discuss the second summit of Latin American presidents to be held in Seville, Spain, in July.

"At the Latin American summit we will discuss international political and economic subjects, such as the disintegration of the Soviet Union, integration, the defense of democracy, and the social cost of economic adjustment programs," Fernandez-Ordonez said.

Binational Meeting Closes

PA0603182992 Mexico City XHTV Television Network in Spanish 0200 GMT 6 Mar 92

[Text] On 4 March, Mexican Foreign Secretary Fernando Solana and Spanish Foreign Minister Francisco Fernandez-Ordonez participated in the second Mexico-Spain binational meeting, at the conclusion of which they held a news conference.

The foreign ministers said that never before had there existed so much cooperation between Mexico and Spain. Solana mentioned the high level that this relationship has reached.

[Begin Solana recording] The relation between Mexico and Spain is not important just for the two countries; it enables Mexico and Spain, working with neighboring and friendly countries, to carry out large-scale projects for Spanish-speaking countries. [end recording]

Fernandez-Ordonez spoke of the political dialogue between the two countries.

[Begin Fernandez-Ordonez] The understanding, cooperation, and trust between Mexico and Spain have never been so great. [end recording]

The work of the second Mexico-Spain binational meeting was handled by several subcommissions, which included subcommissions on political, economic and commercial, financial, cultural and educational, juridical and consular, and scientific-technical cooperation.

In the field of energy cooperation, Francisco Rojas, Mexican Petroleum [Pemex] director general, reported that Pemex purchased an additional 2.12 percent of the shares of the Spanish corporation Repsol.

[Begin Rojas recording] Pemex will invest approximately $160 million. This makes Pemex the second largest holder of Repsol shares after the Spanish Government. [end recording]

Victor Flores Olea, president of Mexico's National Council for Culture and Arts, and Jordi Sole, Spanish minister of culture, among other officials of the two countries, also participated in the press conference that concluded the binational meeting.

BANCOMEXT Director Notes Exports Growth

PA0603194592 Mexico City NOTIMEX in Spanish 0943 GMT 6 Mar 92

[Text] Mexico City, 6 Mar (NOTIMEX)—Humberto Soto Rodriguez, general director of the National Foreign Trade Bank (BANCOMEXT), asserts that the economic reforms carried out by the present administration have prompted a considerable increase in Mexican exports.

Soto pointed out that in 1991, Mexico's nonoil exports represented 70 percent of its sales, while crude oil and oil

by-product exports constituted 30 percent, quite a contrast to the situation in 1981 when the opposite was true.

At the ceremony during which he was made a regular member of the Mexican Academy of Engineering, Soto Rodriguez pointed out that the total value of Mexican exports in 1991 was $27.3 billion.

The director of BANCOMEXT asserted that the free trade treaty is a powerful catalyst through which to consolidate the domestic market and participate extensively in international trade.

"The free trade treaty demands of businesses a series of conditions based on productivity and industrial transformations to increase competitiveness," he said.

He also pointed out that to achieve the goals the industrial sector has set for the free trade treaty, it is necessary for businesses to modernize labor relations, invest more in science and technology, and reconvert their industrial apparatus.

El Salvador

Coprefa Weapons Report Described as Propaganda

PA1003014092 San Salvador TCS Television Network in Spanish 9 Mar 92

[Text] The Farabundo Marti National Liberation Front [FMLN] described as propaganda the Coprefa [Armed Forces Press Committee] broadcast about a weapons shipment seized in Honduras last week. According to the military report, the weapons were coming from Nicaragua to be delivered to the FMLN.

When asked about the arsenal seized in Honduras, FMLN Commander (Cherson) Martinez said: We have left the armed struggle behind us; we are not interested in more weapons.

According to a Coprefa report, the weapons were going to be delivered to the FMLN despite the disarmament process taking place in El Salvador since 1 February. According to the FMLN commander, these statements are only propaganda.

[Begin Martinez recording] That does not fit into the FMLN's plans. The FMLN is concentrating on strictly political plans. We are now committed to a peace process and we have left the war behind. However, I believe that Coprefa's report can be easily explained because some counterinsurgency organizations and psychological war organizations, like Coprefa, continue to operate with the same force and logic as before. This explains why they make such unfounded statements. [end recording]

After rejecting the statements made by Coprefa and ruling out the possibility that the FMLN is arming itself, Martinez said that the FMLN General Command is already investigating the case.

With regard to the offices opened by the National Association of Private Enterprise [ANEP] in several parts of the country where the owners of occupied land may ask for advice with regard to land takeovers, Martinez said that it is an important step because it will help ANEP learn of the real situation of peasants who are demanding land to survive.

[Begin Martinez recording] First of all, I consider it very interesting that ANEP should open offices in different regions so that it can learn more about the true state of affairs. I believe that ANEP has been very isolated from the overall reality and while the problem here is, in part, the land takeovers, it is also the polarizing attitude of some government sectors.

You may remember that the agrarian charters (carteras) have been left in the hands of the more radical right wing groups. That does not help. The land occupation problem must be resolved. I understand that no more lands are being taken over, but the problem of the peasants who are now on occupied lands must be resolved. [end recording]

The FMLN commander said that the land occupation problem involves two aspects—that of legality on the owners side, and that of social justice on the peasants' side. He said that the two aspects must be merged to find an agreeable solution to the agrarian problem.

Director Views Inauguration of Radio Venceremos

PA1003123792 San Salvador TCS Television Network in Spanish 1200 GMT 9 Mar 92

[Report by Sonia Lopez]

[Text] With the slogan "We Have Won and Are Still On," Radio Venceremos has officially been inaugurated. The station, which operated clandestinely during the 11 years of the war, has joined the country's civilian life with the former Farabundo Marti National Liberation Front [FMLN] combatants.

Now, we can say: 11 years later, we won and are still on. Radio Venceremos broadcast for the first time on 10 January 1981. After 11 years, the station was officially inaugurated in Perquin by its director, Carlos Enrique (Portal), known as Santiago, who said the inauguration was also a tribute to his comrades killed during the war. He also expressed what the official inauguration of the station means for the FMLN.

[Begin (Portal) recording] This inauguration means the happy conclusion of a long struggle for a political opening in El Salvador. Now, we inaugurate the studios of Radio Venceremos in Perquin. We hereby announce the station's legalization process is in progress. We already held the first meeting with the government, as press secretary Sandoval has announced. This legalization process is not a gift, but the result of the blood shed by many companeros who died during the construction of this social communications instrument. [end recording]

The equipment Radio Venceremos is using was buried throughout the 11 years of war.

[Begin (Portal) recording] In Guazapa, we had a smaller, FM transmitter. We had a transmitter in Jocoaran, another in El Tigre, another in Torola, and still another in Joateca. We covered the entire territory with FM transmitters. Of course, now that we will become legal, we will transmit with 5 kw power, which is the highest the National Administration for Telecommunications permits. With our small, modest transmitters we covered Central America, the Caribbean, and even reached Venezuela and Mexico. We will grow now that the Air Force and the Army will not be chasing us. We will be powerful enough to cover all of Latin America. [end recording]

Radio Venceremos will cease to be a guerrillas radio station and will become an instrument that will help construct peace and consolidate democracy, Santiago said.

[Begin (Portal) recording] The guerrillas radio station now disappears. What we intend to do is difficult in El Salvador. There are professionals in this field and we want to be up to par with the best ones. Our station will be a youthful station, open to all ideas, even those of the adversaries. We want it to be an instrument to help construct peace and consolidate democracy. Our role will be to make a small contribution to the culture of democracy, debate, and confrontation of ideas. [end recording]

For the FMLN, the inauguration of Radio Venceremos means the legalization of its only means of communication, which broadcast during the 11 years of the war in El Salvador.

Nicaragua

'Tense Calm' Prevails in Ocotal Environs

PA0903193292 Managua Radio Catolica in Spanish 1100 GMT 9 Mar 92

[Text] The latest reports from Ocotal, Nueva Sevogia Department, indicate that over 1,000 persons are still occupying the city. Although they have withdrawn to the city's outskirts, a tense calm prevails because the elite troops of the Sandinist People's Army [EPS], which were sent into the area three days ago, are also in the outlying areas. The news reports state that the government delegation and the former rebels have not reached an agreement. We are soon going to broadcast the demands by the recompas and recontras. The recontras and recompas who occupied Ocotal have gathered in the areas known as Jalapa, Macuelizo, and Dipilto, based on an agreement reached with members of the municipal council. In addition, EPS brigades surrounding the city have not moved the troops into the city or conducted military operations. As a protective measure, however, the soldiers are located at the entrance to the town and Dipilto and Las Manos, according to a report from that city. The recontras and recompas are asking for the appointment of a top level delegate and want President Violeta Barrios de Chamorro and Presidency Minister Antonio Lacayo to discuss their demands directly with them. The recontras and recompas, who have been in Ocotal since 5 March have a 15-point list of demands.

Ortega Denies Crisis in FSLN Directorate

PA0903164892 Managua BARRICADA in Spanish 7 Mar 92 pp 1, 8

[Report by Maria Alicia Talavera]

[Text] On 6 March, Daniel Ortega, Sandinist National Liberation Front [FSLN] secretary general, said: "There is no crisis within the FSLN National Directorate. Because different positions or opinions emerge—even contradictory ones on certain topics—this does not mean there is a crisis."

"The country is experiencing an economic and social crisis and the Directorate has noted this," Ortega stressed at a news conference minutes after the party Directorate's regular Friday meeting.

Accompanying Ortega was Luis Carrion, also a Directorate member, who recently was harshly criticized by a Sandinist radio station.

"This argument, this debate, allows the opportunity to reflect and strengthen the organizations that left the Congress, the Sandinist Assembly, and the National Directorate. We believe it is the great ending and the lesson that we can extract during these moments," Ortega said.

Ortega announced that the National Directorate analyzed the Ocotal takeover, the privatization situation, the workers call to respect the National Dialogue Agreements, and the FSLN's support for the Peasant Federation.

Ortega also announced that Henry Ruiz is on a working trip to the PRC and Vietnam.

Regarding the Nueva Segovia crisis, Ortega demanded that the government follow up on the agreements to avoid greater tension and acts of violence.

He also called on the workers, armed Sandinist peasants, or former contras, to act very prudently and avoid violence.

Ortega disclosed the Sandinist Directorate's concern on the lengthy privatization negotiations. "This causes instability in the country. Conditions are not right to improve the agricultural, the cattle-raising, or the industrial sector," Ortega stated. He insisted that the National Dialogue Agreements be complied with and announced that the FSLN will seek alternatives to strengthen the prospects of true national development.

On the subject of the recently created National Peasant Front [Frente Nacional Campesino], Ortega said the FSLN fully supports its struggle for land, loans, and agrarian reforms.

Ortega also referred to Luis Carrion's "future" trip to the United States to study at Harvard University and said they had not discussed this because the course is in about four months.

"We have other topics at this time that deal with current problems in Nicaragua and we would like to stress that because Comrade Carrion has expressed this wish, in no way does this reduce anything he has done and continues doing for the revolutionary process and in the Sandinist ranks," Ortega said.

"We want to make it clear we have no political or ideological reservations regarding Comrade Carrion's trip. There is no reason, therefore, to speculate about it as some have. There is no risk involved here; it is simply not that kind of problem."

Carrion, in turn, said that, as a member of the National Directorate, "I am obligated to explain the causes, reasons, and my own reflections regarding that application to study. I would like to do it, however, in a calm manner, maybe even in writing, because I do think it is my obligation."

He explained why he announced his study at Harvard by answering a reporter's question during a news conference on the Sandinist Assembly: "I confirmed it. I did not, however, choose that moment to make a public announcement and surprise the National Directorate or the whole world."

Ortega recalled that the Sandinist Congress (July 1991) decided party members could publicly express their views on specific issues, although this one could have been discussed earlier by the FSLN top leadership.

"The comrades who supported absolute freedom of expression are now complaining when one of the Directorate leaders decided to exercise that right and protested that it is best for us not to talk out in the open when we have different views."

He felt they are being denied that right, and, "today more than ever," he called on the party members to strengthen and respect the authority of the National Directorate as a way to contribute to the stability of the country.

Daniel confirmed the open debate on the Sandinist news media will be taken to the meeting of the Sandinist Assembly to be held late this month.

* Options for Future of FLSN Discussed

92CA0096B Managua BARRICADA in Spanish
5 Feb 92 p 3

[Article by Ernesto Castillo M.]

[Text] After the medal incident, Commander Victor Tirado published in BARRICADA an article presenting some profound considerations for discussing the future of the Sandinist National Liberation Front (FSLN). These ideas are an invitation to debate.

There are many of us activists who lack the necessary internal partisan structures to ponder and debate our concerns as Sandinists. We are no longer in that phase where we wait for guidance from above, and therefore, in one way or another, we try to express our concerns.

We cannot deny that there are Sandinists who feel that the FSLN has already played its role, and that for this phase we need a totally new party. On the other hand, we find Sandinists who do not accept the new reality in Nicaragua, the profound changes brought about by the collapse of socialism, or the new balance of intellectual and real power in the world. They are experiencing a Sandinism that is essentially emotive, fed by memories.

No one, not even the sworn enemies of Sandinism, can deny the significance of the FSLN's struggle against the dictatorship. There is also no denying the tenacity we showed in surviving intact the prolonged aggression to which we were subjected while in power.

What Are the Objectives?

The above does not mean that we are overlooking any errors that may have been made during our years in power. We must all assume our share of responsibility without fear, while maintaining the pride we feel in our wholehearted effort to build a new Nicaragua.

It is very difficult to analyze the situation from the same perspective as when we were in power, now that we are, to the surprise of many, in the opposition.

I think it is more positive to contribute somehow to the debate, rather than avoiding it. Therefore, in a previous article I said that unity is no longer a valid excuse for shutting off the debate. I expressed the need to specify **unity in what aspect, and unity for what purpose**.

The FSLN must immediately determine what objectives it wants to pursue and set a course for achieving them. This should be done before the 1996 election campaign begins.

It should be made clear whether the program aimed at achieving socialism has been abandoned. If so, the democratic option should be legitimized internationally, plain and simple, and the FSLN should join the Socialist International as a full member.

Anti-imperialism will have to be discarded as a characteristic, and a new type of respectful and sovereign relationship will have to be established with the United States. We will have to redefine publicly our solidarity with the movements of the left in Latin America.

We would have to express ourselves internally without mincing words, rejecting the role of state ownership in the economy and adopting the notion that the centerpiece of economic growth in our nations is the development of a strong private sector, guaranteed by the legal and financial frameworks of the state.

It would be very difficult to take all these steps on our own, in direct opposition to the current government, so the FSLN would have to enter into an open and firm alliance with the president's group. This would further weaken the National Opposition Union (UNO), preventing it from being an alternative of confrontation and regression. It would have to be done right away, with the FSLN as a majority party, before the principal elements of the government, with Mr. Lacayo at the head, could promote their own party, since they would naturally not want to run in the elections with the UNO.

This government is a government of private businessmen, and it must be recognized as such. Therefore, what the FSLN would be doing is reviving and reworking the Tercerista [third trend] theme of alliances and broad fronts, which was sharply altered after the triumph of the revolution, when the FSLN began concentrating power

in its own hands after the Council of State was formed, eliminating its original pluralistic composition.

Another option would be to discard the idea of regaining power through elections as an immediate objective, and to maintain the original historic program of the FSLN, turning it into a strong, tenacious opposition party that would give no quarter to the current government. In this way, it could basically represent the urgent needs of the poorest people in this country and wait for conditions to ripen in the future for establishing a popular power.

The above considerations, in addition to giving us pause to reflect, may help convince us of the need to resolve immediately our internal problems of: a) **Leadership**, the most appropriate, depending on the option; b) **Economic affairs**, regarding the possession and administration of the FSLN's own property and that of party members individually; c) **Lack of basic rules** of party ethics and policies for the membership.

What is important and urgent is to be decisive so that we can unite behind a **single set of objectives** all those who accept the option that has been chosen, and organize the structures and activities of the party so that they will meet the new needs.

We have already had the experience of the intense and sharp discussions of the three tendencies within the FSLN, without which it would have been impossible to attain the unity that gave us a real chance to overthrow the Somoza dictatorship and begin the search for a new path for Nicaragua.

* Commentary Criticizes Privatization Efforts

92CA0096A Managua EL NUEVO DIARIO in Spanish 1 Feb 92 p 4

[Article by Francisco Bravo Lacayo]

[Text] Throughout Latin America, organized labor opposes the privatization of state-run companies that is being promoted by the neoliberal policy of the U.S. Government. This policy seeks to sweep away all vestiges of socialism in social organization in order to impose capitalist domination in absolute terms.

Privatization, moreover, means that the workers will be put out of work, that is, abandoned to hunger and misery, on the pretext of improving the efficiency and productivity of the companies to compete better in the market economy.

This absolute assertion maintained by the defenders of capitalism has been called into question, if not refuted, in our country. Here some state enterprises that are run by honest managers have been as productive and efficient as the best private firms, and the workers have even been able to prove that they can make a success out of companies left in ruins by their former owners, who have come back to claim them with often immoral arguments.

To complete its neoliberal offensive, the U.S. Government, through the American Institute for the Development of Free Trade Unionism, which is run by pro-management leaders, has sent its agents to Central America to "advise" our trade unionists on the benefits of privatization. The goal is that they will embrace privatization and adopt flexible attitudes in order to "accept the changes that take place within the companies."

This is an effort to soften up and wear down the natural resistance of the workers. This resistance has been fed by revolutionary ideas which they adopted not because they wanted to, but because of their painful experience in battling a savage and primitive type of capitalism over a period of many years, a capitalism that pursued the accumulation of wealth by using the worst methods of exploitation.

It should be noted that these methods were implemented not only by Nicaraguan businessmen, but also by transnationals such as Mamita Yunai in Costa Rica, Bragman Bluff in Nicaragua, and others throughout Central America, not to mention the mines operated on our soil, which were tantamount to concentration camps.

"Instead of confronting it, we should compete with neoliberalism," advise the American agents. Compete? How? By knuckling under on our demands? By giving in?

Our unions would be unwise to follow the advice of the gringo agents who travel down here in comfort, their pockets overflowing with dollars to buy consciences. If the truth be told, this effort is nothing new, nor is the fact that Nicaraguan workers are turning their backs on them.

Argentina

Government Economic Objectives Letter Published

PY1003034892 Buenos Aires CLARIN in Spanish 5 Mar 92 Economy Section p 3

["Letter of Intent"]

[Text] The government's fundamental economic objectives for the 1992-1994 period basically consist of maintaining prices in keeping with international inflation, achieving a high degree of economic growth, and further opening the economy.

The principal instruments that the government will use to comply with the objectives established in the letter of intent will be the fiscal policy, the same sort of exchange, and privatizations. The most significant objectives established by the government, expressed as percentages of the gross domestic product [GDP], are:

Savings in the nonfinancial public sector will increase from -1 percent in 1991 to 3.4 percent in 1994.

Public investment—including that of provinces—will increase from 2 percent to 3.6 percent.

Private savings will increase from 10.4 percent to 11.4 percent and private investment will increase from 9.55 percent to 13.8 percent.

The use of foreign savings will increase to 2.7 percent per year during enforcement of the program.

The fiscal policy objective will be to obtain a primary surplus of an average $3.3 billion per year, in addition to income from privatizations. This amount totals 2 percent of the GDP, which will be sufficient to service the foreign debt and reduce internal debt.

Fiscal income (without public companies' surplus) will increase to 24.3 percent in 1992 and will remain at about 24 percent after that. The increase in income will be the result of fiscal reform and more effective tax collection.

Expenses in the nonfinancial public sector (without interest) will increase to 22.5 percent.

Retirement pensions will increase in 1992 in accordance with the GDP.

Capital expenses will increase from 1.5 percent to 2.3 percent in 1994.

Income resulting from the sale of assets will total 1.9 billion pesos in 1992 and 350 million in 1993. Income obtained from privatizations will be used to reduce the foreign debt.

Central Bank operations in general will result in a 335 million peso deficit in 1992 and a 270 million peso deficit in the 1993-1994 period.

The public sector's overall performance (without debt reduction) will yield a 970 million peso surplus in 1992, a 250 million peso deficit in 1993, and a 740 million peso deficit in 1994.

The government plans to pay the overdue amounts owed to domestic producers and suppliers of services. It will be issued in national currency or dollars over 16 years with a six-year grace period.

The primary surpluses resulting from this program will allow overall payment of the internal debt that comes due and all commitments of the foreign debt after it is rescheduled with the Paris Club and the debt with the commercial banks is reduced.

Money in its broadest sense will increase from 9 percent during the October-December 1991 period to 9.9 percent during the same period in 1992. If foreign currency deposits are included, it will increase from 14 to 16 percent. A decrease of 308 million pesos in the Central Bank's net internal assets is planned for 1992.

The deficit in the current account abroad (before debt reduction and servicing) will increase from $2.8 billion in 1991 to $4.9 billion in 1994.

The volume of exports will increase 6 percent per year.

Imports will increase faster than exports and domestic production.

Net international reserves will increase by 881 million [currency not specified] in 1992.

Projections indicate that the payment of interest accumulated before rescheduling and reduction of the debt will total $5 billion in the 1992-1994 period.

The net inflow of private capital will increase from $3.1 billion in 1991 to $3.9 billion in the 1992-1994 period.

Cavallo Denies U.S. Pressure Over Dispute

PY0903221192 Buenos Aires BUENOS AIRES HERALD in English 9 Mar 92 p 7

[Text] (NA-DYN)—Economy Minister Domingo Cavallo and United States Ambassador Terence Todman yesterday denied that the U.S. was pushing for a favourable settlement of the conspicuously public dispute between Cavallo and Defense Minister Antonio Erman Gonzalez over the monopolization of warehouses and services at Ezeiza International Airport, while President Carlos Menem was scheduled to meet today with his two squabbling cabinet members in an effort to resolve the conflict.

The president's peacemaking parley was originally planned for Saturday [7 March] after Cavallo returned from an economists' conference in Mexico, but by the time the Economy Minister arrived at Ezeiza Menem had already left the Federal Capital.

The clash between Cavallo and Gonzalez was triggered last week when copies of a letter the former sent to the

defense minister urging him to end the monopoly held by—and criticizing the hefty fees imposed by—Edcadassa [South Atlantic Air Cargo Enterprise Inc.] (a company owned by the Air Force) and the private company Villalonga Furlong, appeared in newspapers. The partnership is a profitable one for the Air Force, which Edcadassa provides with some 750,000 dollars in monthly income.

In an interview yesterday with the Buenos Aires daily CLARIN, Cavallo insisted his letter's appearance in the press was "an involuntary error" but added that there was "nothing wrong" with it. He defended his figures showing that Edcadassa hiked fees between 17 and 170 percent, while businesses had claimed the increase ranged from 30 to 100 percent. Furthermore, he charged the company with being a "discriminatory monopoly" for not only charging users high rates but giving a discount to powerful clients.

The economy minister asserted that his position was that of "Menem, not Cavallo" and consistent with the government's current policy of privatization. "The fact that (former President Raul) Alfonsin made a mistake (in granting Edcadassa a 20-year monopoly in exchange for making investments), doesn't mean that we should continue" the error, Cavallo said. Moreover, he accused the military of "defending the old order" and suggested that "neither the Air Force nor the Defence Ministry should have jurisdiction over the airport (Ezeiza)," but rather the Transport Secretariat.

Gonzalez kept up his end of the war of words in an interview that also appeared yesterday in the daily LA NACION, retorting that his colleague was "misinformed" over the rates charged by Edcadassa but expressing confidence that "everything will be solved if Cavallo and I discuss the subject."

Another focus of contention is whether Cavallo is acting under pressure from the U.S. Embassy and Ambassador Todman, who met with Menem Friday [6 March] in Olivos, to open up airport services including duty-free shops to competition.

While denying that he or the government had been pressed in their stand by the U.S., Cavallo admitted that since that nation "understands very well that a democratic political system requires that there be no monopolies like that of Edcadassa, ...it is very reasonable that the ambassador" would speak out in favour of added competition.

In a brief statement released yesterday afternoon, Todman "categorically denied" having mentioned the topic of Ezeiza during his talk with the president on Friday. Todman added that while the embassy's policy is not to reveal the contents of "private" meetings such as the one three days ago, it was necessary to comment to clear the air "in the face of persistent rumours."

In the meantime, the Argentine Importers and Exporters Association yesterday in a press release asked the Economy Ministry for the "deregulation of the warehouse and services at Ezeiza National Airport, ending the existing monopoly there." The association asked Cavallo's ministry "to take the necessary steps to protect" exporters by bringing Edcadassa's rates in line with those charged to importers.

Six Former Soviet Republics Recognized

PY1003000992 Buenos Aires TELAM in Spanish 2341 GMT 9 Mar 92

[Text] Buenos Aires, 9 Mar (TELAM)—The Argentine Government has recognized the former Soviet republics of Turkmenistan, Azerbaijan, Belarus, Georgia, Kazakhstan, and Kyrgyzstan as free and independent states.

In an official communique, the Argentine Foreign Ministry tonight announced that the respective recognition decree "will be issued through the usual channels."

Spanish Trawler Seized Within Boundary

PY1003132692 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2304 GMT 3 Mar 92

[Text] Buenos Aires, 9 Mar (NA)—A Coast Guard ship today intercepted a Spanish ship within Argentina's exclusive economic zone with a cargo of over 230 tonnes in its hold. At first the captain refused to hand over the cargo.

The Coast Guard ship Prefecto Fique this morning surprised the Spanish ship Puente Ladeira inside the 200 nautical mile boundary from the eastern coast of the northeast bank of the San Matias Gulf in Rio Negro Province.

The foreign ship's captain at first refused to receive on board the group of prefecture inspectors who wanted to inspect the catch. The Puente Ladeira collected its nets and turned to leave the 200 mile zone, but the Prefecto Fique fired two cannon shots into the air as a warning, forcing the Spanish ship to stop. The captain, however, still refused to allow the prefecture inspectors to board the ship with regulation weapons. The Prefecto Fique captain then warned that if his orders were not carried out he would open fire on the Puente Ladeira.

Naval prefecture officials communicated the details of the incident to the Spanish Embassy in our country to warn against possible consequences of the incident.

Bahia Blanca Federal Judge Alvarez Canale ordered that the Puente Ladeira be taken to a local port for a ruling on the Spanish captain's "resistance to authority." After long discussion, however, the foreign captain dropped his objections to the judge's decision.

Alvarez Canale will investigate the incident and establish the responsibility of the Spanish sailors in accordance with the National Fishing Law.

The Spanish ship was carrying 230 tonnes of hake and codfish and 360 kg of fresh fish for processing.

* Political, Economic Dichotomy Underlined

92SM0286B Buenos Aires LA PRENSA in Spanish 12 Feb 92 p 7

[Report by Sergio Crivelli]

[Text] In the last few days, the impression that the Peronist government has a split personality has become increasingly distinct. The most rational and predictable aspect of its personality was seen in New York and Washington, where it won key support from the IMF for solving one of the central problems of the Argentine economy: the foreign debt.

Meanwhile, in Buenos Aires, its other self remained mired in an endless series of daily scandals that range from the prosecution of officials to sexual harassment.

All of this comes in the middle of the ever-present internal wrangling in the cabinet, the attempt to amend the Constitution to allow the reelection of the president, and the first heats in the race for the senate seat that will be vacant this year in the federal capital.

How long can the Justicialist administration continue leading this double life without incurring irreparable damage to the image of Carlos Menem? When will the political chaos burst the dam that is now protecting economic stability and sweep it away? Who will finally prevail, Dr. Jekyll or Mr. Hyde? These are questions for which analysts have different answers, and there is no doubt that they will be at the center of the political debate over the next few months.

Telling Survey

The Peronist government was fortified in 1991 by its very strong showing at the polls, which paradoxically proved to be damaging, since it stimulated the internal struggles and led to the almost chaotic situation at the dawn of 1992. To make matters worse, this year the battle with the opposition will be in the metropolitan district, where all indications are that more than just a senate seat is at stake. There are those in the Justicialist Party (PJ) and in the Radical Civic Union (UCR) who believe that the elections in the capital will become a new test for the national government, and that they will have a decisive influence on Menem's reform program.

Hence the heightened interest in a survey conducted in this city by Edgardo Catterberg. Among the questions asked in the poll were some relating to Buenos Aires residents' opinions on an obligatory theme these days, corruption. And the answers left little room for doubt. Eighty-four percent of the respondents stated that there is a lot or quite a lot of corruption, while only 11 percent said there is little or none. And nearly 60 percent said that the government is little or not at all concerned about this fact.

In other words, the survey found that the Menem administration is not viewed as taking much trouble to put a stop to the scandals that are shaking the country almost daily.

President's Image

How much is this affecting the president? How much harm will it do, furthermore, to his desire to stay in office beyond 1995?

In principle, it is hard to imagine society continuing to practice this deliberate schizophrenia much longer. Those involved in 98 percent of the scandals are very close friends or relatives of the chief of state. The latest one is Armando Gostanian, implicated in a confusing episode with a journalist who accused him of sexual harassment. Gostanian, head of the Mint, had been in the news in the preceding weeks for printing "menemtruchos," counterfeit bills in the new peso currency that bore the image of the chief of state, and "Menem 1995" badges, supporting reelection, that were being given out free in Punta del Este.

Gostanian's case is obviously not an isolated one. Is it necessary to name names?

The most ambitious political operation in the Menem administration tends to fade into this background. The crusade for reelection was also launched prematurely, due to ramifications of the internal struggle in the cabinet that forced Jose Luis Manzano to use it as a banner to preserve his precarious stability at the Interior Ministry.

But the placement of the issue at the center of the public debate could not have been timed more poorly. In addition, the first moves made by the ruling party on the political battleground were miscalculated. Thus, while Menem was giving Manzano free rein to work out an agreement with the Radicals on a "consensus" reform program, he was simultaneously working with Eduardo Duhalde, between soccer matches and barbecues, to get the governor of Buenos Aires to follow the opposite strategy: a pact with the Democratic Center Union (UCeDe) and other provincial and rightist forces, excluding the Radicals.

In short, he was hedging his bets, betting on both black and red to make sure he did not lose.

Senate Election

But there is a limit to how long they can keep getting rid of people and sending double messages. This year, Buenos Aires residents go to the polls, and an election in the country's political showcase will force people to take a stand and speak clearly. How are the various politicians preparing for that contest?

The government has already made its choice: It decided to sponsor someone from outside the party, Avelino Porto, who theoretically can garner more votes than any Peronist leader. Porto's political godfather was Jose Luis Manzano.

The Radicals are facing a sea of doubts. Catterberg's survey, which contains eloquent figures on what people

think of corruption and the government, has a section measuring the images of politicians eligible to run for the senate seat.

Those figures were jealously guarded by the handlers of Fernando de la Rua (Rafael Pascual and Enrique Olivera), because the president of the bloc of UCR deputies does not want to run again this year.

It was revealed, however, that De la Rua's popularity rating is very high, and when the time comes, it will be extremely difficult for him to reject the candidacy if all his internal adversaries ask him to run against the Peronists in such an important election.

There is already an understanding among Cesar Jaroslavsky, Enrique Nosiglia, Jesus Rodriguez, and even Federico Storani, that De la Rua will head the Radical ticket if the surveys indicate that he is a sure winner. But a decision of this nature is not easy to make. De la Rua knows that if he wins, he will return to the Senate, where the overwhelming Peronist majority will reduce his role to that of mere spectator.

On the other hand, if there is direct voting for mayor in 1993, that much more desirable post will be lost, because one cannot run for a different office every year. In fact, the popular "Chupete" faces a dilemma worthy of Hamlet, and he is certainly not known as a man who makes bold decisions.

And finally, the UCeDe is also at a crossroads in the senate race. After the Maria Julia Vaca experience, its future appears to be in jeopardy, and an alliance with the PJ has been considered as a means to wrestle free from this compromising position. Because of the endless internal elections of the liberals, however, Alvaro Alsogaray could be the UCeDe candidate, which exposes him to the risk of an even more ill-fated election than the one in 1991. And that is saying a lot.

* Constitutional Reform Plan Criticized

92SM0286A Buenos Aires LA PRENSA in Spanish 11 Feb 92 p 6

[Text] One of the many surprises that the first weeks of the year held in store for us on the political front was that for the first time in public—until then only trial balloons had been sent up—both the president and the top leaders of the Justicialist party came right out and admitted that they wanted to reform the National Constitution. Among the amendments they would introduce is the reelection of the president of the Republic. The cards are now on the table, and from now on no one can avoid taking responsibility in this matter.

Moreover, at the last meeting of the Peronists' highest body, it was agreed that a commission of jurists will be appointed soon to draft a bill to amend the Constitution. The proposals would then be analyzed and discussed within the party with a view to reaching a "consensus" (a word that seems to have magic charm for some) in the constellation of groups that support the ruling party. The current governor of the Province of Buenos Aires, in turn, announced that he would devote all of his efforts to convincing the citizenry of the need for reform, since he considers it unlikely that the Radicals can be talked into providing the necessary two-thirds vote in the National Congress to amend the Constitution. As a result, he thinks a landslide Peronist victory is imperative in the 1993 legislative elections, in order to give the party a majority of seats on its own.

As for the provisional vice president of the Senate, who replaces the vice president in that official's absence, and who is the president's brother, he never passes up an opportunity to announce, when he is formally introduced, that amending the Constitution is a vital necessity. He says that it needs to be "adapted" to the times and that there should be no "proscription" imposed on President Menem to prevent him from being elected once again to occupy the seat at Rivadavia.

It is curious, nevertheless, that when the reform advocates of today mention this topic, they always speak in a language replete with generalizations and ambiguities, showing a total disregard for the intelligence of the people. Thus, for example, no one has specifically pointed out what provision of the current constitution poses even a hindrance, much less an obstacle, to the implementation of serious government action, or what provisions make it impossible to run the administrative apparatus more smoothly. On the contrary, they always fall back on tired old arguments about the excessive length of the national senators' terms; or the idea that they should be elected by direct vote rather than the electoral college, as is the case in the federal capital, or by the local legislatures, as in the provinces. They also argue that the national deputy elections are "too frequent" at every two years. But when looked at objectively, how much weight do these arguments carry to justify an amendment?

It is even less plausible to assert the need for the direct vote in presidential elections, because this argument also reveals a disturbing ignorance of institutions. It would appear that those who wield this argument have forgotten that the electoral college is a formula invented by the American constitutionalists to maintain the federal balance in the nation. We need merely point out that as long as the indirect election system remains, the voters in the provinces of Buenos Aires and Santa Fe, plus those of the federal capital, have no majority in the electoral college; under a direct election system, on the other hand, these three districts have enough demographic weight that they alone could choose the president of the Republic. In other words, the current constitutional system preserves the voice of the provinces in the interior of the country. Therefore, for those who tend to be portrayed as the champions of federalism to advocate a direct vote is, at the very least, a cynical move.

The use of the word "proscription" to refer to the fact that the president cannot be reelected without another

complete term intervening is another aspect that does not stand up to the slightest scrutiny. This argument even contains an implicit mockery, because the same people who wield it also go on to advocate that the presidential term be cut to four years and that presidents be eligible for reelection to one more term before the no reelection clause takes effect. In that case, following the previous reasoning, would not the so-called "proscription" simply come into play after the second term? In other words, to be consistent, they would have to endorse unlimited reelections.

In fact, however, all of this shows the artificial nature of the arguments they are putting forth. Here there is just one reason—regardless of how many times the argument circles around—to justify amending the Constitution: to reelect the current president. Everything else is just senseless tactical sparring. And as we said at the beginning, the cards are already on the table, and it is time to take a stand. For now, the citizens are confident that the changes in the leadership of the Radical Civic Union (UCR)—a century-old organization that has always fought for free suffrage and pure institutions—will prompt that party to lead the struggle against reelection once again. Now that the followers of former President Raul Alfonsin have lost their battle, the UCR is free to do what it did during those unforgettable days in 1949, when a rubber-stamp Constitutional Convention violated all legal norms and traditions and imposed unlimited reelection for the sole purpose of keeping Peron in office.

Furthermore, people place their trust in the lesser parties that also have unequivocal democratic traditions, and in the large, liberally-inspired force which, though in recent years it has been a docile companion of Peronism, on this issue cannot sell out its principles without risking the collapse of its already weak electoral support. But above all, people have faith in the common sense and renowned intuition of the current president of the Republic, who cannot ignore the aspirations of the most illustrious popular sectors who oppose reelection. And he can certainly not afford to forget what has by now become a tradition among us: Every time anyone has tried—whether successfully or not—to amend the Argentine Constitution for personal objectives, their term of office has ended traumatically. And as for the ghosts of history, as the Dictionary of the Royal Academy of Language prudently suggests, "let sleeping dogs lie" [lo peor es meneallo].

Bolivia

'Discontented' Military Officers Backed by Union

PY0903210492 Madrid EFE in Spanish 1836 GMT 9 Mar 92

[Text] Bolivian Labor Federation (COB) sources told EFE today that there are "discontented" military officers within the Bolivian Army who could engage in "an action similar to that recently taken in Venezuela." They added that these officers have the COB's "support."

The COB has received several communiques signed by the "Bolivarian Military Movement" [Movimiento Militar Bolivariano] denouncing "the corruption within the Bolivian Government and Armed Forces," COB spokesman Edgardo Vazquez said.

In one of the communiques, the "discontented" officers state that "some Armed Forces officers and ministers of state use the aid that the United States is granting the Bolivian Army to satisfy their personal appetites," the COB spokesman said.

The COB, a federation grouping all Bolivian union organizations, receives with "interest the denunciations and demands" by these military officers because "they are in keeping with the general feeling of most Bolivians," Vazquez added.

The communiques sent to the COB also warn that "the continuous increase of U.S. forces in Bolivia is jeopardizing the national sovereignty of this country, which is becoming increasingly more dependent on the United States."

Vazquez, who called the Bolivian officers "discontented, patriotic, and courageous," said: "If this regime—a regime based on corruption, which does not represent the interests of the majority—continues, an action similar to that taken in Venezuela" could be taken in Bolivia. A few weeks ago a sector of the Venezuelan Army rebelled. The frustrated coup d'etat in Venezuela was carried out by a sector of the Venezuelan Army that was also called the "Bolivarian Military Movement."

Bolivian Army spokesman Colonel Max Quiroga recently said he was not aware of the existence of a Bolivarian Military Movement in the country, and added: "I am not aware of any dissident military group, although there are always some discontented sectors and we cannot predict the future."

ADN Suffers 'Worst Internal Crisis' in 12 Years

PY0903151292 La Paz PRESENCIA in Spanish 26 Feb 92 p 1

[Text] The decision of hundreds of Nationalist Democratic Action [ADN] members to leave the party on 25 February sank the ADN into its worst internal crisis since it was founded 12 years ago. The decision also badly hindered General Hugo Banzer Suarez' party strategy—"Banzer for President"—that is proposed by the parties of the ruling Patriotic Accord.

Commenting on the Cochabamba ADN members' decision to leave the party, calling for "internal democracy," dissident Senator Juan Luzio said: "Not only one but thousands of members are leaving the ADN." He also reiterated his criticism of the party leadership, which he called "apocryphal."

He explained that he will stay in the party, but as a "dissident," and he will be "an assistant" ["coadyuvante"] to those who left the party in La Paz and Cochabamba.

Leaders closer to Hugo Banzer admitted with dismay that they could have prevented the crisis and convinced the ADN members to give up the decision to leave the party en masse.

Guillermo Fortun, the ADN deputy chief hospitalized in this city, admitted on 25 February: "Maybe we were not able to convince (the dissidents) or were not interested in talking." In ADN Executive Secretary Jorge Landivar's opinion, the Cochabamba members' decision to leave the party in large numbers "is part of a logical process that occurs in political parties."

It has been reported from Cochabamba that the ADN dissidents have decided to create a new political party called Community and Democracy (CYD) under the leadership of former Mayor Humberto Coronel.

Landivar made a last effort on 25 February to stop the massive desertion in La Paz and Cochabamba. He traveled with most of the ADN Political Committee's members to Cochabamba to negotiate with Coronel but did not achieve his goal.

"They were not even received," Luzio told journalists after contacting his Cochabamba comrades.

Antonio Ormachea, who is Chamber of Deputies vice president and ADN leader, suggested changing the party leadership to prevent an internal crisis "before the ADN becomes still weaker."

"If we do not talk, even the 'Banzer for President' strategy may be endangered," Ormachea pointed out.

Congress Reduces Foreign Ministry Budget

PY1003134892 La Paz Television Boliviana Network in Spanish 0200 GMT 10 Mar 92

[Text] The National Congress has reduced the Foreign Ministry budget by 5.7 million bolivianos. This means a reduction of foreign service expenditures by approximately 30 percent, and the laying off of approximately 50 foreign service employees.

For the time being this worrisome decision is being analyzed by the advisory council to prevent more conflicts than what is expected, such as the closing of some embassies, the laying off of some employees, and the possible closure of the diplomatic academy, said Foreign Minister Carlos Iturralde.

[Begin Iturralde recording] This could imply the possible laying off of some 50 people from the foreign service. This could mean the possible closure of several embassies. Last year we operated with a rationalization plan. Last year we fulfilled certain objectives, such as the withdrawal of two alternate ambassadors and the closing of the ALADI [Latin American Integration Association] office in Montevideo. It now depends on our embassy in Montevideo. This was done in December 1991. We also discussed the closure of other missions. In December we also closed the consulate in Hong Kong. We are also discussing the possibility of reducing the number of people in other embassies, but always within our budget for this year, which does not include some of these embassies and consulates. Now our budget has been reduced by 5.7 million bolivianos, which means that I have to take very, very drastic measures which are very difficult to fulfill. Obviously I have to commply with the decision of the National Congress.

But, in addition, the National Congress also cut 370,000 bolivianos from the 390,000 bolivianos for what is called nonpermanent envoys. I want to tell you that those 370,000 pesos were earmarked for professors contracted for the diplomatic academy. This money is also used in other areas so as to receive donations from the EEC. But these funds have been cut. This means that I must either close the diplomatic academy or not have other funds to be used in attracting EEC funding. [end recording]

Regarding the possibility of attracting alternative resources to overcome to a certain extent the effects of the budget reduction, he said that the possibilities are very few, because international service expenditures are the exclusive responsibility of each country. We have not ruled out, however, the possibility of resorting to international organizations, or to other types of investments.

Colombia

Threats Against Judge 'Might' Come From DEA

PA0903234192 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 8 Mar 92

[Text] A criminal trial judge is receiving death threats from the DEA. According to the judge, she is being threatened concerning a trusteeship case that her office is handling. The case involves a small plane reportedly used by drug traffickers.

The judge reported that she and the court clerk have started to receive telephone calls threatening their lives if they return the aforementioned plane. The plane was seized by Customs in December 1991.

[Begin recording] [Unidentified judge] I have received threatening telephone calls and I am under a lot of pressure to not give up the plane.

[Unidentified reporter] Yes, but what has been happening? What are you being told?

[Judge] I am being threatened directly. I am talking about death threats. The same thing is happening with the court clerk. [end recording]

The case began when a lawyer filed a trusteeship suit with her office. The lawyer contended that his client's rights were violated when the plane was illegally seized. The client in question is the Aerocafe company. Strangely enough, this week the U.S. Embassy asked the District Attorney's Office to conduct a disciplinary investigation against the judge with regard to this case.

This station has determined from sources who do not wish to reveal their identities that the threats against the judge might have come from the DEA. The reason behind the allegations stems from the fact that—in a secret document that this station has had access to—the DEA is asking Colombia to seize various planes that are reportedly being used for drug trafficking. One of those planes is the plane involved in this case.

[Begin recording of unidentified judge] I am being threatened not to give up the plane. [end recording]

According to the DEA, the plane—number HK-3492—transported a shipment of cocaine to Mexico on 7 June 1992. However, according to court investigations, the plane was under repair in a Santa Fe de Bogota hangar on that day. The only sure thing is that the judge will have to hand down her verdict next week amid of all kinds of pressure.

Paraguay

National Defense Council Established 5 Mar

PY0903152492 Asuncion HOY in Spanish 6 Mar 92 p 10

[Text] On 5 March, Paraguayan President Andres Rodriguez promulgated Decree Law No. 15, establishing the National Defense Council [Consejo de la Defensa Nacional]. This will be the executive's advisory body "for all issues that have to do with national defense." The decree also states that the Council of State already has approved the decision to establish the National Defense Council.

Article 2 of the decree law states that the council will have "automatic," by virtue of their position, and "temporary" members.

The automatic members are: the president of the nation, who will be the council's chairman; the defense minister, who will be vice chairman; all presidential cabinet members; the Armed Forces commander in chief; the Armed Forces chief of staff; the commanders of the Army, Navy, and Air Force; and the National War College's commander, who will be the council's permanent secretary.

According to Article 4, "capable personalities, summoned especially to serve the organization," will become temporary members of the body.

Article 5 states that, "for organizational purposes, the National War College will be under the National Defense Council's jurisdiction, while its financial and administrative matters will be under the Defense Ministry's jurisdiction."

Minister Skeptical on Achieving Inflation Goals

PY0803035092 Asuncion ABC COLOR in Spanish 5 Mar 92 p 11

[Excerpt] Industry and Commerce Minister Ubaldo Scavone stated yesterday that the goal of reaching a 10-percent inflation rate by the end of the year will not be achieved because inflation has already surpassed 50 percent of the established objective in the first two months alone. Finance Minister Juan J. Diaz Perez stated, however, that the goal is not to exceed the 11.8 percent achieved last year and "to improve on it, if possible."

Scavone said yesterday that he considers achievement of a 10-percent annual inflation rate very difficult because of the results obtained during the first two months of the year.

When asked whether the government will maintain its initial goal, he said: "I do not think so, because we already have five percent in two months. I think we have to review the objectives and to handle the situation in terms of tendencies when estimating a new inflation rate."

He added: "Anyway, unusual behavior often cannot be taken as a definite trend, but as an occasional distortion that must be corrected rapidly. Thus, the monetary and fiscal goals must be reformulated accordingly."

According to figures studied by the Central Bank, the cost of living increased 2.5 percent in February—which, when added to the 3.1 percent in January, gives an inflation rate of 5.7 [as published] percent in 1992, as opposed to a goal of 10 percent for the entire year.

He added that the economic team is already implementing some measures that will allow, once the problem is isolated, for the necessary corrections to be made and for the inflationary tendency we had the previous year to be reversed. The finance minister stated that the goal is to reach the same level as last year—that is, 11.8 percent—"and to improve on it, if possible."

Regarding the impact a new inflationary process will have on negotiations with the IMF, Minister Scavone said: "It is important to evaluate it in relation to the new objectives and goals that can be outlined after the impact of January and February's rates."

He added: "This does not mean we have to resume negotiations. The negotiations are going well, and I am optimistic about reaching an agreement this time." [passage omitted]

Peru

President Speaks to Nation on New Tax Program

PA0703053392 Lima Radio and Television Network in Spanish 0310 GMT 7 Mar 92

[Address to the nation by President Alberto Fujimori in Lima—live]

[Excerpt] [passage omitted] The government has the obligation to continue working and to perform better each day with the little tax revenues we are collecting. We also have to face the urgent challenge of recovering the time that was lost during the last decade.

The depetroleumization [despetrolizacion] of the national budget is one of the important areas in which we are working to reorganize the state and its financial situation. I said depetroleumization of the national budget. I want to say that I am determined to discontinue the policy of raising gasoline prices [gasolinazos]. In the past, every time the state needed resources, it took the easy road and raised the price of gasoline and other oil by-products. This action not only broke the tax discipline, but it became one of the primary reasons for the indiscriminate increase in prices and inflation.

We now want a balance between the different sources of tax revenue. That is why we are determined to improve our tax collection systems.

The National Superintendency of Tax Administration, known as SUNAT, is working hard to increase the number of contributors who pay taxes to the government. This not only will continue, but it will be done in a more efficient manner. I certainly have the support of the citizens to achieve this.

Let us now see an example of the challenge that lies ahead. Let us not think about the Peruvian citizens who have drinking water and electricity, but let us remember that 40 percent of our fellow countrymen do not have these services. If we do not charge for the real cost of the drinking water and electricity services provided by the state enterprises, we would be committing a serious injustice to 40 percent of all Peruvians, a total of 8 million Peruvians. In order for these people to receive these services in the future, the utility companies need to be economically solid and efficient.

In other words, to provide water to those who still do not have it, we need resources to build installations such as the Yuracmayo Dam in San Mateo, so that an increasingly higher number of people can have services such as drinking water to improve their living conditions. The same goes for our electricity services. Electricity rates have had to be increased even higher than international rates because we have to revive those installations, such as the one in (El Mantaro) that were not properly maintained.

Have we recovered from the situation of generalized deterioration into which the country was led? Not yet. The reason for this is that the country's fall was very deep. Now we are beginning to leave the tunnel, and we can say that we can see a light clearly on the horizon.

You, my friends, know and feel that this is true. We are defeating the monster, which is hyperinflation. The government is fighting this monster every day, while others are still trying to feed it.

Some say that, in fact, we are defeating hyperinflation, but there are still 50,000 public employees who have been dismissed. That is a fact. The state does not have the capacity to maintain the huge bureaucracy we inherited. In the eighties, the bureaucracy was increased by nearly 500,000 people. It has cost the Treasury no less than $60 million to process those resignations that had been delayed for many years due to a shortage of funds to pay for the social benefits. Naturally, these funds have been provided by the taxes we have had to collect.

Fellow countrymen: The current productive activities in our country are not very dynamic. This is due to the process called industrial reconversion. Enterprises and factories are accommodating themselves to more demanding conditions to become more efficient and thus compete better in the future. This is a process politicians and economists have recommended. As government officials, however, they were afraid to implement plans that they vehemently advocated.

We are implementing the industrial reconversion because we are convinced this is the true path toward the creation of a new productive structure. This new structure will be stronger and better able to create greater wealth for all Peruvians.

I want to avail myself of this opportunity to urge Peruvians to accelerate their productive investments in the country. As this happens, the productive sector—the one in reconversion as well as the new one—will be compatible with the government's efforts to change the structures of our country.

When I began my administration, I said my main goal would be to promote the transition from a sick economy to a healthy, solid economy that would generate the greatest amount of wealth for the benefit of all Peruvians. For this, I said we had to set the following goals:

1. To reform the state and make it more efficient.

2. To reconvert productive activity and obtain cheaper products and services for national consumers.

3. To repair the deteriorated social infrastructure of the country in order to provide the people with their basic services.

4. To reinsert Peru in the international structure to facilitate our development possibilities.

5. To proceed with the economic stabilization as a basic step for getting rid of the hyperinflation that was burdening us.

In the last 19 months, we have advanced in all fields. We still have a long way to go. Nonetheless, now we can say that we Peruvians no longer have to suffer the abuses of hyperinflation. The state is spending only what it has collected, thus preaching and practicing austerity. Peru has rejoined the international financial structure. Our name now is respected, both by our neighbors and the

rest of the world. We are beginning to repair our infrastructure, reduce the size of the state, and accelerate the privatization process for a number of public enterprises.

At last, we are making progress in our search for that new Peru, with more justice and with more possibilities for all Peruvians. True, the road is difficult. It is also true that somewhere along the way we made some mistakes. It is also true that we are determined to continue progressing on the road I indicated at the beginning of my mandate. As I have said many times, all expenditures in my government must be supported by revenue. This is a healthy policy. In the case of the state, the funds for expenditures that it must make must be generated mainly from tax incomes and not from worthless bills from factories.

This is why we have increased taxes from 150 million soles monthly to 300 million soles. This, however, is still not enough because it does not allow us to meet all the urgent social needs of the community. The tax reform of 1990 was not enough and was faulty. The truth is that some impostors infiltrated, who acted as [word indistinct] in tax matters. In 1991, we made some corrections but, above all, we made progress in significantly improving the SUNAT.

In an attempt to increase the state's revenues, productive taxes were levied; others were less productive and others were counterproductive because their goals were distorted. An example of this case is the 20 percent tax on the interest of the so-called wandering dollars [dolares golondrinas]. The purpose—besides a $30 million revenue—I repeat, the purpose of this tax was to make more attractive, sorry, less attractive the revenue of these abundant dollars that contributed to the distortion of the exchange rate. Its goal, nevertheless, has lost its merit. This then forces the government to change its strategy, to change its strategy to reach the same goal: the adequate level of the exchange rate. This level has to increase progressively for the export operations to be profitable and for the farmers and industrialists to defend themselves from the imported goods. The tax on insurance companies should produce a revenue of an additional $40 million in the way it has been established or in another manner that is being agreed upon with the insurance companies for its best application.

Faced with the obvious perplexity, I have charged the Economy and Finance Ministry to rationalize the tax framework. It is necessary, however, to emphasize the tax revenues aspect because it is not possible to meet urgent expenditures without revenues. In March, it is essential to make a great effort to finance salaries because of the upcoming school year. We would like to reach at least 90 million soles, but this would cover only between 72 to 150 soles per public employee, which truly is little given the current situation. This is the reality because I do not want to pay with papers from the little money machine. I repeat, we must live with what we have to guarantee that hyperinflation does not return.

My purpose continues to be to improve the economy and make it stable so it can grow strongly. I do not want the state to be a consumer of resources in bureaucratic expenses, but rather an executer of development projects. All of this, of course, demands that fiscal balance be maintained.

Why do we have to increase our resources? Because the state needs more money to combat terrible enemies that are lying in ambush for all Peruvians. These, in addition to the ones I mentioned, are terrorism, drug trafficking, and poverty. These affect a large part of the population. We are not asking the people for money to squander it in state companies, which lose $2.5 million annually, or to increase the bureaucracy, which employed 1 million people, in live cedulas, in mock dollars that totaled thousands of millions of dollars, or in gifts—ill-called loans—through state banks.

The fact that we have 8.6 percent of the gross domestic product in revenue compared to 9.3 percent, I repeat, 8.6 percent compared to the budgeted 9.3 percent is not failure. Temporary corrective measures that lie within the range of the technicians of the Economy and Finance Ministry will secure 0.7 percent of the gross domestic product.

The government's objective in the immediate range is to achieve, as soon as possible, the tax stability we all want. We also seek to reduce the active interest rates, achieve foreign exchange parity, and progressively improve wages for state workers. The Economy and Finance Ministry is working toward this.

We also are moving to accelerate, without sacrificing either the clarity of procedures or the correction of prices, the privatization of public enterprises. Our initial results in this process will be visible soon.

We will continue with the transformation of the state to make it efficient, swift, and honest. The reduction of its size is only a part of this change. The government, making use of constitutional powers, made an unprecedented effort to modernize our judicial structure. We will persevere in this endeavor.

We will continue to accelerate the redistribution of income by improving wages, which will benefit the poor people of Peru. This will be achieved with an end to the phenomenon of recession.

We will continue to carry out an assistance program that honestly reaches the poor people of the country. Children, senior citizens, and women will be first in line for this attention.

Fellow citizens, a difficult path lies ahead, but we will arrive where we all want. We still have to change prudently until revenue exceeds the 10 percent barrier of the gross domestic product. Peru's enormous natural resources, our desire to work and excel, and our ever-improving international relations are important elements to secure a better future for us.

Now is not the time to ease up. The great countries of the world were created on the basis of sacrifice, discipline, and austerity. The state is not miraculous. The grandeur of Peru—which we all want and to which we have committed our efforts—will follow our many sacrifices, our work, and our permanent perseverance.

We are not saying that prosperity is around the corner, nor are we saying that this is an unattainable goal. The path ahead of us is long and difficult, but the path we have traversed in 19 months is significant. I reiterate our commitment to persevere in our efforts to reconstruct Peru in the least amount of time possible.

Thank you very much and good night.

Economy Minister Discusses Tax Amendments

PA0903153792 Lima Frecuencia 2 Satelite Television in Spanish 1400 GMT 8 Mar 92

[Interview with Economy and Treasury Minister Carlos Bolona by an unidentified reporter at the Frecuencia 2 Satelite studio in Lima—live]

[Excerpts] [Reporter] On 6 March, President Alberto Fujimori announced some changes in the government's tax policies—changes that were not completely satisfactory to some political, business, and labor leaders. On the positive side, the president announced the elimination of the 20 percent tax on interest earned from foreign currency savings accounts. Fujimori also announced that revenues will not be overly dependent on gasoline taxes [gasolinicera los impuestos]. Gasoline is taxed 40 percent by a burdensome Selective Tax on Consumption. The president spoke of rationalizing the tax framework—a task commissioned to the Economy and Finance Ministry. We have with us Economy Minister Carlos Bolona. Good morning Mr. Minister.

[Bolona] Good morning.

[Reporter] What does this tax rationalization actually mean? What definite steps will be taken?

[Bolona] The president has already mentioned some of these measures, such as the elimination of taxes on interest earned from foreign currencies. The idea was that earnings from foreign currencies would drop; therefore, there would also be a drop in foreign currency going abroad. We have seen this is not the case; instead, foreign currency interest rates have risen. In other words, this tax was not beneficial. In addition, I believe this tax does not generate revenues, it generates distortion and thus is a candidate for elimination. We need to streamline other taxes. The president also mentioned the case of insurance taxes. High interest rates were originally intended to yield levels of about 1 percent, such as the inheritance tax. Instead, this level was sought through the Selective Tax on Consumption, but the effect—we have been discussing this with economic experts—could be that tax collection could decrease instead because it would encourage people to drop their insurance coverage. A similar amount of taxes could be collected with a lower tax rate. We are working on this to try and determine the collection levels required through insurance taxes.

[Reporter] What will happen to the General Sales Tax [IGV]? Will it be maintained?

[Bolona] We must aim for the IGV to be truly general. If we want this to be our big tax earner, exemptions must be eliminated. This does not mean we cannot be flexible in the application of a series of measures; however, the general trend should be to maintain a general tax in the full sense of the word.

[Reporter] This tax is rather high, and it especially affects the consumer.

[Bolona] It would be more harmful to the consumer if the state did not provide the basic services it should, such as security, education, health, and infrastructure. A state incapable of doing this is doing the most damage. We have an 18 percent IGV, like Chile and Uruguay. What really happens is that this becomes the main tax and, in certain cases, it may even replace other types of taxes considered key taxes.

[Reporter] The premise is that by raising the IGV, collections will increase. The opposite may happen: The public—businessmen and consumers—will avoid this tax that has become more and more costly.

[Bolona] These changes must occur with a series of parallel measures. There is no guarantee more will be collected just by raising a tax. There is also a limit on how high a tax may be raised—18 percent is the maximum tax rate. This must be followed by good tax administration. It is not beneficial to have the best tax scheme if we do not have good tax administration. We should also have a tax code that punishes tax evaders. It should not reward tax evaders. We also need a penal code that also contributes and complements the tax code to punish tax evaders.

With these elements working together in a parallel and coordinated fashion, we can then make the IGV yield much more revenue. We have already been through this. When it was raised in September from 14 to 16 percent and the base was broadened, the IGV yield increase between September and October amounted to 25 percent and 10 percent or more over subsequent months. Obviously, the tax administration began its work at the same time. We have already seen how these increases yield more taxes. Conversely, when it was dropped from 18 to 14 percent in November 1990, collection dropped. In relative terms, the IGV collection dropped. Therefore, the belief by some experts that more revenues are collected when tax rates are dropped is not true. It depends on how simultaneous administrative and code measures are implemented. [passage omitted]

[Reporter] How can additional taxes be levied on an industry that is, frankly—even though the government does not admit it—in a recession? Not only do we say this, but also a communique issued by the National Industry Society's textile committee pointed out that various enterprises have closed and many others have reduced their production considerably. The communique adds that exports are encouraged everywhere in the world. Chile, an archetype of liberalism, has an important incentive to export. I am speaking, Mr. Minister, of a recession.

[Bolona] If everyone paid their taxes in the industrial and other sectors, we would not have a problem. Not everyone pays taxes. Furthermore, regrettably, somehow the formal sector has become informal in some ways—some of the enterprises have become informal businesses in the way they handle their sales, etc. This sector must once more become formal, totally formal. If this was the case, there would be no tax problem. We are definitely going through an adjustment stage, a very hard stabilization stage, and obviously businesses are going to feel this adjustment. To think they are going to maintain....

[Reporter, interrupting] Is there or is there not a recession?

[Bolona] One thing at a time. We are getting to that point. Businesses are noticing their income-yield capacity has diminished. Obviously, as far as purchasing power goes, the population is also adjusting. We are obviously not going to see all businesses maintain their income-yield capacity levels or increase them either. Regarding a recession, I believe there could be some confusion between recession and income-yield capacity. In some sectors, the recession is increasing; other sectors are suffering an income-yield capacity problem. Other sectors have found that there has been a drop in demand for their products. There is, however, another problem.

[Reporter] What about closures?

[Bolona] We have some closures, but I do not believe there are massive closures as some sectors claim. I believe there are more cases in other sectors than in the industrial or export sector. [passage omitted]

[Reporter] Mr. Minister, the government and you, yourself, claim the famous reconversion from industrialists—modernization of the national industry—but, at the same time, business spokesmen demand from the government this reconversion begin at home. When will public enterprises begin to be privatized? For example, how long will the Ecasa's [Rice Marketing Enterprise] receivership [liquidacion] commission last? This commission has been working on Ecasa's liquidation for over a year, and nothing has transpired. No enterprises have been privatized.

[Bolona] That question calls for two explanations. All reconversions need to be made simultaneously. It is not something that someone can do first, and then someone else can follow. I did this part, so now it is your turn to do this other part. We must all do it together. It is very true what you say; public enterprises have not kept pace with the adjustments made by the private sectors. Many public enterprises have not yet adjusted. Many are still trying to hold on to their privileges; they defend their bureaucratic prerogatives. Many say this will blow over, so let us see how we survive and hold on to our status quo. We, therefore, need to modify public enterprises. We need to make very strong adjustments to public enterprise sectors, with privatization being the crucial point. For example, we are already making some adjustments to the financial sector. The Development Bank is rapidly being restructured, otherwise nothing will get done.

As you have said, ECASA's receivership commission has been working for a year, and they have not sold off anything. I believe the agriculture minister is already dealing with this, and I am sure we will be given a surprise in a few months, and we will see ECASA sold off. Privatization is a key issue. We should sell or privatize the equivalent of 1 percent of the GNP. This is equivalent to 600 million soles worth of privatization. What is more important is the funds it will yield. Many enterprises really are not worth what they seem to be worth. This means many enterprises that show a loss-....[pauses] Even though losses in public enterprises dropped last year, this could still amount to $500 million to $700 million—someone pays for this. My ministry, as a tax cashier, avoided paying many things or minimized payments to public enterprises, but someone nevertheless pays. Either the bank, the supplier, or the client is financing it, and the bottom line is that the country in general ends up paying. Therefore, the idea behind privatization is to avoid these losses, make these enterprises pay taxes, convert public workers to private workers. I believe these are extraordinary advantages. As I say, bureaucracy seeks 1,000 ways to defend itself.

Venezuela

Investment Fund President Announces Resignation

PA1003012792 Mexico City NOTIMEX in Spanish 0022 GMT 10 Mar 92

[Text] Caracas, 9 Mar (NOTIMEX)—Gerber Torres, president of the investment fund and the person in charge of executing the privatization of public enterprises, resigned on 9 March.

The announcement, made by Torres himself at the Miraflores presidential building, occurred during a ministerial reshuffling by President Carlos Andres Perez, who seeks to form a national unity cabinet. Torres said his successor is Pedro Vallenilla, who until today's announcement had not been an appointed member of the cabinet.

Meanwhile, the leading opposition group, the Social Christian Party [COPEI], authorized its members to accept positions in the government if Perez invites them.

The decision gave an opportunity to Senator Pedro Pablo Aguilar, deputy Humberto Calderon Berti, and Jose Ignacio Moreno.

Aguilar is one of the eight members of Perez' Advisory Council, which was created as a mechanism to seek solutions and make proposals to overcome the present institutional crisis stemming from the foiled coup of 4 February. President Perez, however, has not yet announced or sworn in a new cabinet, a decision that has been awaited since last week.

In 1991, the Venezuelan Investment Fund—the office with ministerial status that Torres headed until 9 March—privatized the Venezuelan international airline Viasa and the National Telephone Company of Venezuela, among other enterprises, in operations worth approximately $1.1 billion.

According to the most recent official announcements, the privatization operations planned for 1992 include the sale of three electricity generating enterprises, 15 hotels, the Linea Aeropostal Venezolana airline, freeways, three cement manufacturing enterprises, and three mines. Torres did not mention any changes in these plans.

Two Supreme Court Magistrates Resign

PA1003023692 Mexico City NOTIMEX in Spanish 2234 GMT 9 Mar 92

[Text] Caracas, 9 Mar (NOTIMEX)—The resignation of two magistrates and the early retirement of Pedro Alid Zoppi, president of the Supreme Court, marked Venezuelan politics on 9 March, while the announcement of a new cabinet was anticipated. The crisis in the judicial branch was added to the growing expectations surrounding the installation of a government of national unity, the alternative agreed to by President Carlos Andres Perez in last week's message to the nation.

Negotiations continued on 9 March between President Perez, the ruling Democratic Action Party (AD), the Social Christian Party (COPEI), and independent groups. The Movement for Socialism (MAS), the third strongest political party, refused to become part of the government. Usually, cabinet swearing in ceremonies are carried on a national television network; however, the Press Office at Miraflores Palace, headquarters for the Venezuelan Government, denied having scheduled a statement by President Perez to be carried on national television on 9 March.

According to unofficial reports, new ministers of the interior, foreign relations, planning, development, investment (responsible for the privatization of government enterprises), education, agriculture, and justice will be appointed. The justice minister resigned last week.

This weekend it was learned that Magistrate Cipriano Herrera had decided to resign from his office on the Supreme Court and join Alid Zoppi and another member of the court who is facing a serious crisis. On the morning of 9 March, the Supreme Court announced that it would study the resignations presented and the internal crisis faced by the judicial branch, which is accused of being politicized and having commitments that hinder swift legal processes.

The resignations were submitted after President Perez promised comprehensive changes in the judicial branch in a draft bill that he said would be presented to Congress this week. Perez' decision is part of a rectification plan and a plan for political, economic, and social change to overcome the institutional crisis that developed following the failed coup on 4 February.

Several press reports have stated that Perez stirred disagreement in the court because the president suggested early retirement for five members of the court, as well as increasing the number of magistrates from 15 to 20.

Meanwhile, Health Ministry workers and retired workers have announced that they will protest this week because of the delay in the negotiations for a group contract and to demand payment of retirement benefits.

Likewise, leaders of the neighborhood assemblies have called on the residents of Caracas to bang their pots and pans [cacerolazo] on the night of 10 March, as they did two weeks ago to protest the government's economic policy.

COPEI Secretary General on Coalition Cabinet

PA1003043192 Caracas Venezolana de Television Network in Spanish 0000 GMT 10 Mar 92

[Interview with Social Christian Party President Eduardo Fernandez by Ricardo Matheus at the Miraflores Palace on 9 March—recorded]

[Text] [Matheus] We are here with COPEI [Social Christian Party] President Eduardo Fernandez. He has just met with President Carlos Andres Perez.

Could you tell us what proposals you have presented to the president in your party's name?

[Fernandez] I have stated the need to form a government of national unity. The entire nation wants to overcome this crisis. It wants the corrections and changes that the people demand. It wants a head-on struggle against corruption and a head-on struggle against the inflation produced by very serious economic and social maladjustment.

We have told the president what we have told him over and over. He has to change the cabinet and form a government of national unity. The president told us that this is his intention and has asked us if we would allow him to call upon some COPEI personality or personalities to form part of his cabinet.

We responded that, ideally, he would form the cabinet with independent personalities, with people who are

members of the Presidential Advisory Council. Distinguished COPEI member Pedro Pablo Aguilar comprises part of that council.

The president promised that he would make every necessary effort to form the cabinet of national unity.

[Matheus] Thus, we can foresee that the members of the Presidential Advisory Council will become the new ministers.

[Fernandez] That is what I would like. However, President Perez has spoken to them, and they have presented arguments indicating that they should not form part of the cabinet.

However, I would like to reiterate the following in the name of COPEI's national directorate. I have had the honor of coming to this meeting in the company of Senator Hilarion Cardozo, the party's national president, and Senator Jose Antonio Perez Diaz, one of the most distinguished members of our organization, to talk to the president and tell him: Mr. President, the nation demands a change. The nation demands a government of national unity. The nation demands that your government make the necessary corrections to overcome inflation and corruption.

[Matheus] How would it look if COPEI, as part of the opposition, should form part of the current government?

[Fernandez] We would preserve our autonomy as a political party, as the main opposition party, and as a government alternative. What we have agreed to is a member of our organization possibly being called upon eventually to assist in this very difficult and dramatic moment in our country's life.

We have asked for a government of national unity, and if after proposing it several times, the president finally decides to form a government of national unity and calls upon a COPEI member, it would be incongruous and show a lack of patriotism if we did not allow one of our party's members to join.

However, the party fully reiterates its autonomy to act as the main opposition force and government alternative.

[Matheus] If a COPEI member is called upon to participate in the government, would he be separated from partisan duties or would he receive guidelines from the party?

[Fernandez] His duty, the duty of any COPEI member that could be called to the government—whether Pedro Pablo Aguilar or any other—is to fully and faithfully fulfill his duties on behalf of the Venezuelan nation. However, at this time, the nation demands that we abstain from making partisan political calculations and instead contribute toward saving the Venezuelan people from the tragedy of a breakdown of institutions, a forceful solution, or the beginning of what could be something very costly to the life of the country.

Defense Minister Discusses National Situation

PA0703032392 Caracas Venezolana de Television Network in Spanish 0000 GMT 7 Mar 92

[Passages within quotation marks are recorded]

[Text] Members of the Episcopal Conference, headed by His Eminence Joseli Cardenal Lebrun and Monsignor Ovidio Perez Moralez, went to the Defense Ministry to exchange opinions with Defense Minister General Fernando Ochoa Antich about the situation in the country:

[Ochoa] "I believe the country can be transformed in an atmosphere of peace and human solidarity. That is why I believe that, in the name of the Armed Forces, I can deliver a message of tranquility to Venezuelan society.

"We are working on the problem within the Armed Forces, and we are sure that there will be a profound social change in Venezuela toward peace and solidarity with the measures established by the national government.

"Violence only generates more violence, and we are sure that Venezuelan society, our people, definitely wants a peaceful transformation."

[Unidentified reporter] "Mr. Minister, are the Armed Forces still on alert?"

[Ochoa] "No. At this time, we are no longer on alert."

[Second unidentified reporter] "Mr. Minister, what about Lieutenant Bracamonte's whereabouts?"

[Ochoa] "Lt. Alvarez Bracamonte has not been found yet. We are trying to locate him through our intelligence services.

"His disappearance, as well as the disappearance of the weaponry he was able to take because he was a member of that unit, has really surprised us. We are particularly surprised by the fact that it has not been found.

"All this makes us see that Lt. Alvarez Bracamonte was a member of some subversive organization when he joined the Armed Forces, or that he subsequently had some link with a subversive organization."

* Defense Minister Comments on Coup Attempt

92SM0281A Caracas EL UNIVERSAL in Spanish 7 Feb 92 First Section p 12

[Interview with Defense Minister Fernando Ochoa Antich by Pedro Antonuccio in his Fuerto Tiuna office on 6 February]

[Text] Minister of Defense Fernando Ochoa Antich, says it is quite possible that civilians may have been involved in planning the attempted military coup.

Although he emphatically states that investigations to date have uncovered no information about this, Major

General Ochoa Antich leaves open the possibility that as the investigations advance, some politicians may be implicated.

According to the defense minister, who spoke with EL UNIVERSAL yesterday in his Fuerto Tiuna office, 136 officers and noncommissioned officers have been arrested because of the events of 4 February, along with 1,240 enlisted personnel.

Though he admits that there certainly is socioeconomic unrest in the FFAA [Armed Forces], as well as in the rest of the country, the actions of the rebel officers were motivated more by their misguided ideals.

He believes that military degradation of the rebels would not be wise at this time. Before their trials can begin, intelligence problems need to be resolved.

Minister Ochoa Antich states emphatically that the Venezuelan military are not mercenaries, adding that the true heroes of this national tragedy are those who gave their lives for an ideal.

"For the dead belong to no party," he concluded.

[Antonuccio] Insofar as social benefits are concerned, what will happen to the families of the military responsible for this uprising?

[Ochoa Antich] The families of the officers involved in this lamentable event will not have to pay in any way for the irresponsibility of members of their families. Our social security law is very clear about this.

[Antonuccio] Will officers who prove their innocence return to their commands?

[Ochoa Antich] Yes, of course. The first thing we are doing now is to investigate with absolute precision the actions of each of the officers. We have arrested 136 officers, which is a relatively high number. We will thoroughly investigate the roles all of them played. We believe that a large number of officers were led into this action without an exact knowledge of what they were doing.

[Antonuccio] Might the guilty be degraded?

[Ochoa Antich] That type of penalty does exist in Venezuela, but it is not very easy to apply it. If my memory is correct, the crime of rebellion has occurred quite infrequently in Venezuela. It carries a penalty with a lengthy prison term, but I do not think military degradation and demotion would be the right thing at this time.

[Antonuccio] When might the rebels be tried, and what sort of schedule would the courts use for these trials?

[Ochoa Antich] I have already ordered the appropriate investigations preceding indictments. But before the actual trial begins, we are clearing up administrative and intelligence problems. After we have resolved those, the courts will have absolute freedom of action, as has always been the case under Venezuela's Military Law.

[Antonuccio] On what specific charge will the trial be based?

[Ochoa Antich] It will be a trial for military rebellion. During the 1960's, this charge was used here against leftist guerrillas. Now it will be used in this unfortunate case, and the penalties which Military Law provides will be applied to the persons responsible. As you know, there were deaths. Unfortunately, we are dealing with a national tragedy which caused serious damage to the republic. The persons responsible will have to answer for their actions.

We Are Not Mercenaries

[Antonuccio] As defense minister, how do you feel, since it was your own service, the Army, which led the attempted coup? Did you ever imagine this happening?

[Ochoa Antich] I am greatly mortified, as I see that these officiers failed to perform their duty, and brought the Army, the Armed Forces and the nation to a painful crisis. But I do feel some satisfaction, though tempered with sadness, that my prudent and decisive action averted what might have been a great national tragedy.

[Antonuccio] How great is the socioeconomic discontent within the Armed Forces?

[Ochoa Antich] I want to dispute that point, for we in the Venezuelan military are not mercenaries. It is true that there is some socioeconomic malaise, not only in the FFAA, or particularly in the Army, but all over the country. There is a serious problem, because our economy and salaries have become linked to the dollar. While the president and the government have made efforts to improve this situation, salaries have not yet reached the level required by a dollarized economy. That is the reality. But I can say with absolute sincerity that that is not the cause of the problem.

[Antonuccio] Then what is?

[Ochoa Antich] The cause of the problem lies elsewhere. The actions of these officers did not arise from a socioeconomic problem; they arose from mistaken ideals. They were mistaken not only because of their use of violence, but mistaken in their very direction.

[Antonuccio] Does that surprise you?

[Ochoa Antich] No, because as we come to the end of this century, political ideologies are undergoing a profound crisis and experiencing great disorientation. When you hear young people talking, you realize that some of them are living in great confusion. What is unpardonable is that some basic military ethical values were flouted, values like loyalty to one's superior and loyalty to subordinates. They deceived many people, inducing them to risk their lives and their careers without any justification.

Civilians May Have Been Involved

[Antonuccio] I do believe that while there was full institutional support for the democratic regime, the system did receive a strong warning from the people. This does not mean that there are marked pro-coup sentiments among the people, but there were very few people here who came out into the streets to defend the government. To what extent did the rallying power of the political leadership fail?

[Ochoa Antich] For years Venezuela has been experiencing a profound social, economic, and political crisis. To a certain extent, it has been magnified by the media. This has generated some discontent, both in the population as a whole and also in the FFAA, and this was certainly one of the causes of this insurrection.

[Antonuccio] Do you believe, as Herminio Fuenmayor said, that this attempted coup left some frustrated publishers and politicians in its wake?

[Ochoa Antich] So far the investigations have not shown the involvement of any civilians in any way. Possibly later, when the investigations progress, some politicians or civilian personalities may appear. So far they have not, and I cannot accept General Herminio Fuenmayor's statement, as there is no evidence to support it.

[Antonuccio] Might some things be imagined?

[Ochoa Antich] Logically, one might imagine that some civilians may have been involved. But it seems to me that the coup's orientation was a "putsch," that is, striking a blow at the head of the state, and that is what two very well oriented strikes attempted to do. One, aimed at me, was to arrest me when I was going to enter the Defense Ministry. And the other, to arrest the chief of state when he reached Maiquetia Airport. They felt that by beheading the state's two most important defense organs, that would result in a crisis, followed by the takeover of the Miraflores Palace, and then political support would ultimately follow.

National Unity

[Antonuccio] Fuenmayor says that the leaders of the military uprising were expelled from the General Staff School for supposed poor performance....

[Ochoa Antich] In reality, Major Chavez did have a problem in one course. And precisely because he had had a previous problem, and it might seem that he was being treated unfairly, for that very reason, when General Penaloza himself was involved, he was given another chance. So Chavez retook the course and passed it.

[Antonuccio] Because of these events, do you expect a reorganization of the Military Intelligence Directorate?

[Ochoa Antich] All our organizations need to be improved. It is true that during the past year the DIM [Military Intelligence Directorate] experienced a major crisis with the departure of Herminio Fuenmayor. But under General Pineda its operational level has been gradually improving.

I am satisfied that the DIM did play an important role in detecting a number of kidnappings on the border and now in this situation. Even though it was unable to produce sufficiently precise information, it did provide some information for our commanders.

[Antonuccio] If two high-level AD [Democratic Action] officials supposedly did not inform President Perez about the coming coup, despite their reliable source—reportedly Penaloza—where would you have to place those persons in the process of assigning responsibility?

[Ochoa Antich] I really do not know; you would have to ask General Penaloza. I remember that a few days earlier he told me he had some information about a major, but he did not have confidence in this information, because of its repetitive nature on a number of points. The information was not precise. But I do not know what precise information he had in the end. If he did have such information, he should have told me.

[Antonuccio] The riots and now the military uprising have shown that the Caracas Garrison is apparently not sufficient to control these unexpected events. Will you increase its troops and equipment?

[Ochoa Antich] We do not believe that is necessary, since we have enough units to maintain order.

[Antonuccio] After the events of 4 February, what should political and business leaders be thinking about?

[Ochoa Antich] First I called for reflection, and second for national unity. We have seen that during the past few days, when Perez received support from all over the nation. But this support must continue as we work to overcome the crisis. This crisis had military repercussions, as had been predicted for some time, but there may be other types of repercussions. I believe the capacities for reflection and judgment of all our national leadership are needed to solve our present difficulties.

[Antonuccio] What could you tell us about the case of General Landaeta Guzman in Tachira?

[Ochoa Antich] Landaeta Guzman was going to Colombia on a routine trip, and he had no connection with the rebellion. The general had requested permission to travel and he was given that permission.

[Antonuccio] Who are the heroes who defended the system during this crisis?

[Ochoa Antich] The heroes are the people who died for an ideal. You have seen the list of the dead. The rest of us only did our duty. I do not believe that those who had pledged their word to achieve an ideal, if they said that but did not die for it, can be considered heroes. The dead belong to no party, and all who died for their ideal deserve the nation's respect.

Political, Business Leaders View Perez Speech

PA0603221692 Caracas Venezolana de Television Network in Spanish 0000 GMT 6 Mar 92

[Text] Several groups, representing a cross section of the Venezuelan business community, who met at the Miraflores Presidential Palace to hear the speech by President Carlos Andres Perez agreed that the decision to modify some of the economic policies was good. Here are some of the opinions expressed by the various groups:

[Begin recording] [Antonio Rios, Confederation of Venezuelan Workers] We are pleased because the majority of the measures announced by the president were related to issues we have been protesting. This is why we staged a strike in Caracas, in Miranda, and in Bolivar. We were able to mobilize the nation because we were convinced that those policies were contrary to interests of the majority of the workers. We are pleased that the president took these measures; however, the list of products should not be limited to the ones he mentioned. This list should be extended to include more products. I do not know how many more are needed to guarantee that the cost of the family market-basket does not rise as sharply as in the past.

[Attorney General Ramon Escovar Salom] I think his speech opens up new horizons. But words must be accompanied by actions. The fight against corruption cannot begin until overall reform of the Judicial System is enforced and a study to reform the Supreme Court of Justice is conducted. This must be done immediately. Until this is accomplished, no struggle against corruption is valid.

[Humberto Celli, Democratic Action, AD, party president] What is important is that the president demonstrated his sincerity by saying he was thinking things over. The result was an extraordinary speech by the president wherein he announced a series of measures. Some of these modify policies currently in place that had a real impact on the lower and middle classes. Political and legislative initiatives were also identified that will pave the way for the modernization of our democratic system and a more effective fight against corruption.

[Eduardo Fernandez, Social Christian Party, COPEI, president] The president demonstrated his willingness to change, to listen, and to correct what must be corrected. I am satisfied because many of our proposals were adopted. My personal opinion is that we should give the president parliamentary support. The government of national union the president is proposing should be more than an interparty coalition government; it should be a government of national unity. My personal point of view is that the policies announced by the president should receive our parliamentary support.

[Jose Luis Santoro, businessman] We believe the president's speech is a call for social peace and for national development. Without social peace—as we have been saying all along—there is no development. We believe the measures announced by the president on judicial, social, and economic issues will facilitate increased social peace and development. Lowering interest rates, financing small businesses—worth $3 million bolivares—stabilizing the family basket, stabilizing the price of medicines, and the other measures he announced on legal matters could produce those results. We believe we can have in the short-term a country with greater social peace, national development, and an infrastructure generating the jobs Venezuelans now need so badly.

[Freddy Rojas, president of the Venezuela Federation of Associations and Chambers of Commerce and Industry] We believe a very important element was missing from the speech. Nothing was said regarding losses sustained by so many state-run companies. We believe much can be done in that field. Growth in the business sector—which represents a minority of the national economic apparatus—is not the only thing that should be taken into account. It is also important to see, consider, and tell the nation how much the state-run companies—which belong to all Venezuelans—lose.

[Pedro Paris Montesinos, president of Congress] We want a nonpartisan, nonpolitical justice system. It is not possible for justice to be represented by judges who are identified with a party or political label. This inhibits them from having an open mind and the autonomy that should characterize any legal decision.

[Freddy Munoz, Movement for Socialism party leader] If these measures are enforced; if the government is willing to take the road the president has indicated; if Congress complies with its corresponding responsibilities; if the people continue—in a democratic fashion—to press for legitimate causes so that which the president wants done is accomplished, there will undoubtedly be improvements. I am sure the current crisis, which is very serious, will improve as time passes. This is what is important.

[Octavio Lepage, AD member] I believe these measures, which in my opinion are what everyone needs, give hope, expectation, and confidence to all Venezuelans. I too have hope and am sure—as it should be—that these measures will be enforced. I also hope the president will take special care in the selection of the national unity cabinet. In my opinion, that is the key to implementing the rest of his promises and the commitments he made on 5 March.

[Former President Luis Herrera Campins, COPEI senator for life] I think the president's message is very interesting. There are some issues, the government of national unity for example, that need further public clarification.

[Pedro Aguilar, COPEI member] The crisis can only be faced with specific facts, and the president has now proposed specific facts. The president has generally accepted the recommendations that we, members of the Consultative Board, presented to him. I think the road to overcome the crisis within a constitutional framework is

open; this is what is important. We must save the Constitution. The measures announced by the president are not just words or promises; they are totally feasible.

* Politicians Call on Perez To Change Policies

* MAS Leader Munoz

92SM0278A Caracas EL DIARIO DE CARACAS in Spanish 7 Feb 92 p 27

[Text] "The administration should think not that it has been strengthened and that the situation is under control but rather that it must rectify its economic policy and many other actions," said the secretary general of the Movement Toward Socialism (MAS), Freddy Munoz.

The socialist leader said that what is required is a very serious review of the extremely grave political crisis that the uprising has underscored and, at the same time, served to heighten. "The country and particularly the administration would gain nothing by closing its eyes to this reality, which is fraught with undeniable risks and dangers to the nation's democratic life," he stated.

He added that MAS does not share the view that the coup plotters deserve our respect as purported champions of the poor, a sort of armed variety of the sentiments that exploded three years ago on 27 February. "This is not so, because we are talking about a conspiracy that began brewing before the Perez administration and that broke out now because its leaders thought that they would be backed by the deep-seated current of grassroots discontent that exists today."

Munoz read a document from the National Executive Committee of MAS in which it asserts that the attempted coup d'etat heightens and even qualitatively changes the crisis that the president has been creating over the past three years with his government programs and style. "We are witnesses not to a mere crisis of government but rather to a crisis of the State and the democratic political system itself," the document asserts. "The damage to democracy takes on particularly serious dimensions in light of the unconcealable manifestations of grassroots support for the coup plotters today. Nothing is to be gained by denying this. On the contrary, to do so would mean a failure to address the existing political crisis."

Split in the FAN [National Armed Forces]

Munoz asserted that the government's legitimacy has been severely eroded by mistrust and skepticism, if not outright hostility towards the system. "This already very worrisome situation is being compounded now by a new crisis in the Armed Forces," he stated. "There has been a split in this essential institution of the Venezuelan State. It has not known such upheavals for 30 years and today it is being torn apart with the sort of severity and breadth that cannot possibly be unrelated to the context of social and political crisis that also surrounds the military."

He warned that it was wrong to believe that the coup plotters were motivated merely by opposition to democracy, because if that were the case, they would not have gained the support of a significant number of officers. "A failure to appreciate this aspect of the issue properly could lead one to think that disciplinary measures will suffice to control the problem that has been highlighted by this violation of the military oath."

Rectify

The secretary general of MAS said that the president must realize that during the three years of his administration his economic policy and style of government have considerably worsened the living conditions of most people and caused a state of unrest that touches even his own party, Democratic Action.

"The crisis has worsened in the wake of the attempted coup. During the dangerous hours of the uprising the administration had the support of all the significant organizations in the nation. It would be making a mistake, however, if it confused this backing with support for its policies and if it thought that now it has been strengthened," Munoz cautioned.

According to the MAS leader, only a political willingness to acknowledge mistakes and rectify them can prevent stormy times in the nation in the near future. "The president has been threatened by something that seemed unthinkable, a military uprising. It is now his move, and he must make a rectification," Munoz averred.

In his judgment, such a rectification is impossible unless Perez immediately replaces his economic ministers, including the president of the Central Bank.

* AD's Canache Mata

92SM0278B Caracas EL DIARIO DE CARACAS in Spanish 8 Feb 92 p 28

[Report by Alcides Castillo J.]

[Text] The leadership of Democratic Action (AD) has decided, for who knows what reason, to ask President Carlos Andres Perez to rectify part of his economic austerity policy, and this Monday at the session of the Operations Committee and later at the meeting between the National Executive Committee and the administration, they are expected to demand that he take five emergency measures that would represent such a change of course.

It was learned unofficially that the chief of state will listen to the proposal from his party's leaders and, after analyzing it in detail, likely make the changes that they recommend.

Demand by Canache

AD leader Carlos Canache Mata mentioned on his own behalf that the proposals have to do with wages, gasoline

prices, price controls on food items in the basic shopping basket, and the provision of public services.

"I think that the administration also has to review some of its actions. I personally think that the package of economic measures is not untouchable. It is not a model of perfection that cannot be touched. Some parts can be revised even if its main guidelines are retained. For example, in light of the serious social situation in the country I would propose four or five emergency measures: raise the minimum wage to 10,000 bolivares for the urban sector and to 8,000 for the rural sector; freeze the hikes in gasoline prices; to resolve the problem of inflation and the high cost of living, take urgent action on the prices of some essential goods, including adding subsidized or regulated items to the basic shopping basket, and take forceful measures to improve public services."

The AD request is thought to be related to the military developments on 4 February, when several contingents of military personnel tried to topple the current government. Canache Mata contended that although there are indeed cases of corruption, that the cost of living is high, and that there is widespread discontent, these were only pretexts and that what the military coup plotters wanted was to take power.

As to the reported involvement of other parties in an emergency cabinet, the political leader asserted: "With two years to go before national elections and in a year when regional elections are going to be held, I think that it is unlikely that political parties would want to participate in exercising power. This does not mean that I am arguing for the formation of a coalition government, because I repeat, the national leadership of the party has not looked into this matter. There are other ways to broaden the government even if political parties do not fill seats in the executive cabinet or elsewhere in government. There are representative sectors of national life that can also have a presence in a broad government at a given moment."

While supporting their involvement, he does not think that other parties will agree to it. He cited the example of COPEI [Social Christian Party], which at one point asked for a government of national unity, in which it would not, however, take part.

The AD aspirant was asked about a theory that has arisen recently; according to it, opposition governors in states like Zulia, Carabobo, and Aragua were encouraging a coup since their states have a major military presence. Canache denied this rumor, asserting that Oswaldo Alvarez Paz behaved in exemplary fashion, as did the other opposition governors, who abided by the constitution.

Canache Mata also underscored the shortcomings in military intelligence, given that there had been rumors [of a coup]. He indicated, however, without staking his life on it, that it was more a question of incompetence than treason, as a colleague had suggested. If treason were to be demonstrated, however, the government should enforce the full weight of the law.

He also acknowledged that the political leadership has serious shortcomings and that the time for reflection has come to see what changes can be made in its performance.

Rafael Caldera's position in Congress was another issue. The AD leader asserted that the main thing at the time was to condemn the coup, not to start a debate on the problems of democracy. "No one denies the problems and the crisis, but the point was not to detract from condemnation of the coup."

As to the alleged asylum, he said that Luis Emilio Rondon should give the names of those who behaved this way. He also denied knowing that Alfaro Ucero and Lewis Perez had any knowledge of the military uprising.

Lewis Also Wants Changes

Another major AD leader, Lewis Perez, also came out for a change in economic policy and called on the party to take stock of its performance and involvement in the government. He also called on the other parties and organizations to think about coming up with a solution to the crisis that the country is in.

As to the raid on the magazine ZETA and the seizure of its equipment, he argued that reflection is called for to correct shortcomings but that we cannot tolerate attempts to destroy the democratic system.

* Business Leaders Support Economic Program

92SM0282B Caracas EL UNIVERSAL in Spanish 16 Feb 92 Second Section p 1

[Article by Wilfredo Mejias Zerpa]

[Text] The presidents of Conindustria [Venezuelan Council of Industry], Consecomercio [National Council of Commerce and Services] and Fedeindustria [Federation of Industry] believe that President of the Republic Carlos Andres Perez should immediately call for a broad political understanding which would include the adoption of those measures to which the political parties had already committed themselves for reform of the state, and at the same time he must also explain that the economic program will be kept in place and that it is not the cause of the problems troubling the economy.

On the other hand, Rafael Alfonzo Hernandez, Aurelio Concheso, and Jose Luis Santoro believe that the country's political parties should unite to form a single bloc which will help in consolidating our democratic system. These business leaders also think that it is high time that Venezuelan politicians forgot about populism, demagogy, or any return to a tightly controlled, interventionist economy.

EL UNIVERSAL asked the chief spokespersons of industry, commerce, and small- and medium-sized industry what they thought President Perez should do at

this juncture and also what Venezuela's political parties ought to do. A common factor became evident: the macroeconomic adjustment plan will have to be continued but ways must also be found to make government social programs more effective, since the plan is inflicting a high cost on the populace.

More Effective Measures

In the view of the President of Consecomercio, Aurelio Concheso, President Perez must begin by increasing the impact of the economic adjustment in order to bring Venezuela to a truly open and competitive market. In this sense, the measures should be accompanied by other and more rigorous anti-inflationary measures which would allow economic growth to reach the lower levels of the population.

The chief spokesperson of the commerce and services sector maintained that these anti-inflationary measures include specifically the deepening of the privatization process for the purpose of utilizing the ensuing resources in social programs. The privatization process should also be applied in the reduction of nonsocial public spending, in state corporations and institutes (decentralized entities) whose deficits and inefficiencies, subsidized by the state through devaluation, are the main cause of the inflation.

The president of Consecomercio also believes, as his sector had already suggested in November 1991, that the chief of state should convoke a great national political consensus which would include the immediate adoption of those measures to which the political parties committed themselves in the pact for state reform and the single member district, judicial reform and similar measures which would allow the people to feel genuinely represented in the various political areas.

On the other hand, as for what urgent actions the national political parties should undertake, Aurelio Concheso believes that first is to recognize that the great grievance behind the people's dissatisfaction is the failure to follow through with the structural reforms, doing away with populist clientelism, which is necessary for the modernization of the Venezuelan economy.

In this sense, continued Concheso, they must set aside petty squabbling and implement immediately the aforementioned political reforms to which the political parties formally committed themselves before Venezuelan civil society when they signed the state reform pact following the events of February 27 and 28, 1989.

Publicize the Program's Advantages

Meanwhile, the President of Conindustria, Rafael Alfonzo Hernandez, said that President Carlos Andres Perez would first have to give a clear signal that the economic adjustment program would be continued. The chief of state is responsible for clarifying for all Venezuelans very transparently and precisely the reasons why the adjustment program is not the cause of the problems that trouble us but rather represents a positive means for the recuperation of the country.

In the opinion of this industrial spokesperson, President Perez ought to publicize the advantages we have gained with the program, pointing out where we were and where we are now and, in this connection, he must not only voice the intention but also give concrete evidence that actions will be taken to correct inconsistencies which persist.

Alfonzo Hernandez believes as well that the chief of state must provide convincing proof that corruption will be corrected and punished, because nothing has happened so far. Juridical security will have to be guaranteed. The business class is tired of being consulted on matters of form. It must be involved so that it can help to resolve real problems, and so far its views have not been taken into account.

According to the president of Conindustria, President Perez should not delay any longer the social megaproject which, if well managed, makes more sense than any readjustment or retreat in the economic program, as some national sectors are demanding.

As for what Venezuela's political parties should do right away, the principal industry spokesperson replied that the politicians should understand that the time for populism and demagogy was ended and they had defrauded the people enough demanding roll backs in price control measures or artificial increases in salaries by decree because they were thereby blocking the road to prosperity for all Venezuelans.

Alfonzo added that the political parties should cease immediately their competition against the national government and should cooperate with it. In his view, some of what happened recently in the country is due to the parties competing and not cooperating so that everyone can move the country forward. Lastly, the leader asked that the parties agree upon the single member districts.

Great National Understanding

For his part, the President of Fedeindustria, Jose Luis Santoro, said that President Perez should peremptorily convoke a great national understanding. This should begin with a broad, unbiased analysis of recent events, in which all of the opinions of the various sectors are reconciled in order to come to an agreement on profound solutions.

He also believes that President Perez, together with his closest collaborators and representatives of the various sectors of national society, should analyze the behaviour and the response of the Venezuelan people to the events of February 4. It will be necessary to delve deeply to identify these responses and give them the appropriate attention and remedy.

The principal spokesperson of small- and medium-industry believes that the economic adjustment program

should be maintained but with some minor modifications, since the social cost to the Venezuelan population has been very high. He said it would be necessary to provide much support to the PYMI [expansion not given] which would require much political will so that enough resources would be invested to create a great many jobs.

As to what the political parties should do right now, Jose Luis Santoro said that without doubt there should be considerable reflection for the purpose of major reform, and taking a positive rather than a negative view, since we have a great country. The parties must come forward with concrete answers to the problems facing us and that require solutions.

The president of Fedeindustria believes that the political parties should work together in coordination with the Congress for the purpose of passing a package of economic measures which will allow our development.

Santoro said that the parties should become fully aware that they are not mere electoral machines but that they must go well beyond that to come closer to the people and assume a serious commitment to fight at their side to put the people on the road to development and prosperity. And, of course, setting a good example with the public interest and demonstrating a spirit of public service. The parties must recuperate their mystique and modify profoundly their doctrinaire beliefs in order to attune them to the new reality of today's Venezuela. They should wish for an end to unproductive struggle and useless argument. Venezuela needs a large dose of spirit, of optimism, of faith in its institutions. We have many resources and we can come out ahead if the political parties also see it that way, Santoro said.

Media Reactions to Economic Measures Noted

PA0703013992 Mexico City NOTIMEX in Spanish 1747 GMT 6 Mar 92

[Text] Caracas, 6 Mar (NOTIMEX)—The decision by President Carlos Andres Perez to modify his economic adjustment plan was received favorably, albeit with some reservations, by various groups, according to 6 March press reports.

Perez was applauded on 5 March when he announced a temporary freeze on gasoline, electricity, and six staple products prices. Local newspapers reacted with surprise, however, because the other announcements were received calmly.

"The judicial system reforms, punishment for corrupt officials, and other important topics mentioned by the president did not receive much support," ECONOMIA HOY said in a brief editorial.

DIARIO DE CARACAS described as "painful the fact that the elite leadership" only applauded the announcement on the price freeze, at a time when we are witnessing "the most important phase of political awareness in at least three decades."

The editorial criticized the apparent indifference to President Perez' call and support for a constituent assembly, profound reforms in the judicial branch, and modernization of the fiscal system. The main concern was expressed by the business sector. Newspapers noted that by freezing gasoline prices, the government will lose about $230 million (15 billion bolivares) in income.

EL NACIONAL, a severe critic of President Perez, noted that the letter of intention signed between the Venezuelan Government and the IMF will expire in March 1993. Although it did not speculate on the possible consequences of the president's rectifications, particularly the temporary suspension of domestic free trade on basic products, it emphasized that the IMF usually "stops disbursements" whenever a country violates an agreement.

So far, Venezuela has received from the IMF $2.517 billion (47 percent) of a total of $5.245 billion in special drawing rights (SDR), destined to support the economic adjustment program.

Although the business sector, in general, committed itself to support Perez' changes, Freddy Rojas, president of the Venezuelan Federation of Associations and Chambers of Commerce (Fedecamaras), said that private enterprise will carry most of the burden of the new economic challenges. Among other fiscal measures, Perez announced new taxes on company assets and luxury items and an aggressive tax collection plan.

Without providing details, Rojas demanded reforms on state enterprises, particularly those subject to privatization, "which are currently losing large sums of money without any rectification plan."

Meanwhile, Raul Mejuto, president of the Venezuelan Chamber of Medicines, said this sector was not consulted on the freeze or "stabilization" of prices for essential medicines. In addition to Fedecamaras, medicine producers announced they will hold special meetings to decide their position. According to Mejuto, the price of medicines increased 37 percent in 1991, while the inflation rate was 31 percent, "a moderate increase compared to the increase registered in other industrial areas." He said the government should clarify what it means by "stabilization," which has been interpreted as freezing, and should identify the mechanisms for its implementation and duration.

Tribunal Says Civilians Not Part of Coup Plot

PA0903225592 Madrid EFE in Spanish 2030 GMT 9 Mar 92

[Text] Caracas, 9 Mar (EFE)—Professional soldiers—from the rank of lieutenant colonel on down and with varying

degrees of involvement—but not civilians, participated in the 4 February coup attempt, a source from the Second Military Tribunal said in Caracas on 9 March.

The court said that the "possibility that civilians joined" the coup attempt later has not been ruled out, but the military tribunal handling the case reached the conclusion that no civilians participated in the plot.

After the failure of the coup attempt, the military tribunal opened two parallel inquiries, one concerning two rebel officers who died after surrendering to the Directorate of Intelligence and Prevention Services [DISIP], and another concerning the involvement of civilians in the 4 February events.

The investigation of the participation of civilians is intended to identify several students who could have received arms from rebel soldiers in Valencia, 200 km from Caracas, the tribunal said.

On 6 March, the Caracas newspaper ULTIMAS NOTICIAS published a DISIP report, addressed to the President of the Republic and described as top secret, linking five civilian organizations to the coup attempt.

According to this report, the genuineness of which has been discounted by official military sources, a number of civilians and members of the Patriotic Front, Red Flag, the Communist Party of Venezuela, the Socialist League, and R Cause, contacted several military personnel to urge the unleashing of a popular insurrection and to establish a national emergency government.

Attorney Williams Tarek, whom the DISIP report linked to the coupist soldiers as member of the Patriotic Front—an organization created three years ago and that has published paid ads in newspapers demanding in-depth changes—described the report as "a sly distortion."

Williams said: "I never had anything to do with the leaders, or any participant whatsoever, in the military rebellion that took place in our country on 4 February."

In the aftermath of the military rebellion, Venezuelan military tribunals have issued a total of 147 arrest warrants against the soldiers involved and released on probation another 185. The investigation continues.

* Fuenmayor Suspects Civilians in Coup Attempt

92SM0280A Caracas EL UNIVERSAL in Spanish 6 Feb 92 First Section p 15

[Article by Victor Hugo Majano on interview with the former director of the Military Intelligence Directorate (DIM), Brigade General Herminio Fuenmayor, retired; place and date not given]

[Text] The journalist who was in charge of communications policy at the start of this administration was the one who alerted the defense minister at 2000 on Monday to the military uprising that would be set in motion some hours later.

We are obviously talking about Pastor Heydra.

This is the version of events given by Brigade General Herminio Fuenmayor, retired, the former director of the DIM [Military Intelligence Directorate]. He thus denies the assertion that security and intelligence agencies were aware of the conspiracy.

According to Fuenmayor, the journalist received the information from a colonel who learned of the plan in Maracay. He immediately conveyed the news to Ochoa Antich, who was on his way from the interior of the country. The defense minister thus decided to remain at Maiquetia Airport so that he could take control of it and prevent it from falling into the hands of the coup plotters.

Conspiracy Began in 1987

The Bolivarian Revolutionary Movement, which staged the coup on Tuesday, was first heard of in 1987, when pamphlets from the group were found in several Army units. Reports were also obtained from informers.

Back then the group identified itself as CoMaCaTe, which stands for commander, majors, captains, and lieutenants.

In 1988, as General Penaloza Zambrano said in a television interview, the officers involved in the uprising were identified as potential conspirators. Nevertheless, in Fuenmayor's judgment, Penaloza told only a "half-truth."

"It is inconceivable that Penaloza, having full knowledge of the situation and even being on friendly terms with these officers, was not able to make corrections in the training of subordinates, which is our main duty in command and control elements. Our duty is to steer them towards our institutional goals and the strengthening of democracy."

The other thing that Fuenmayor cannot understand is that even though each officer has a service record listing all of his activities, whether meritorious or not, these records did not reflect the examples of institutional deviation and the lack of democratic principles that these officers had presumably demonstrated.

"If this is the case, and if Penaloza was their commander, how is it that years later the various activities of these officers do not appear in their service records? This is even more serious when we consider that Penaloza was fully aware of the situation and of the psychology of the officers and was not able to detect the behavioral traits that were at odds with the command and with the pursuit of a military career."

[Majano] What happened when you arrived at the DIM?

[Fuenmayor] Back then we again received pertinent reports owing to the concerns of the commander in chief of the Army (Penaloza), who had gotten information from third parties in command positions. Penaloza informed the DIM, and the military network for following up, checking, and processing information on the

lives of these officers was immediately activated. Regrettably, the DIM did not obtain information either on its own or through the Directorate of Army Intelligence. Without accurate information it was obviously impossible to call their professional activities into question.

[Majano] Were they promoted in spite of these reports?

[Fuenmayor] In spite of all the background information on these officers, Penaloza felt that the problem was "one of conscience" and, making legitimate use of his unique power as the commander, he proposed promoting them to the rank of lieutenant colonel in July 1990.

High Command Ignored Their Concerns

Around that same time, in light of the activities of this group of officers, the high command sent them to a staff course at the Army Staff Department to keep them under control.

There, according to Herminio Fuenmayor, the officers had "administrative," not academic problems.

"They were always seen as undesirables, as conspirators, and so life was made impossible for them, but their concerns were never heeded. Finally, they were expelled from the Staff Department allegedly for poor performance."

After this, some of them asked for a discharge, while others tried to hold out.

"Chavez Frias is far above normal in intelligence. When he was a captain and a major, he was first in his class at Simon Bolivar. Could a man of just normal intelligence influence subordinate officers, comrades in arms, superior officers, and a number of civilians to attempt a military uprising?"

According to the former director of the DIM, the FAN [National Armed Forces] have achieved such a high degree of development that many of their officers have been trained at national and foreign universities and have postgraduate degrees in various specialties; thus, the command and control elements must listen to "this army of the year 2000 for the sake of the institution."

"On the basis of all this background information I think that it was this situation that prompted the group of officers, in an act of desperation and institutional justice, to make their legitimate demands and positions heard, since the high command was ignoring the conditions in which they were living."

Penaloza Banned DIM Work in the Army

Gen. Fuenmayor says that in 1990 the DIM began investigative work in the Army to gather and process military intelligence and counterintelligence and to serve as an adviser to military justice. However, it encountered "tremendous opposition in fulfilling the responsibilities established in military laws and regulations."

"At that time, among other investigations the DIM was working on the alleged conspiratorial activities of this group of officers. Nevertheless, Gen. Penaloza, as Army commander, issued a message over the radio ordering all units not to allow DIM to enter or conduct any investigation at Army installations."

The situation was reported straightaway to the defense minister, who ordered the DIM's proper privileges restored.

"Penaloza did not obey orders, however, and as of 27 June 1991, when I turned over the DIM, the military security and intelligence body could not enter Army installations."

Who Is to Blame

"If the intelligence-processing work did not receive the institutional cooperation that it deserved and if instead they were promoted to the rank of lieutenant colonel, the command and control elements are responsible."

Fuenmayor finds it indeed alarming that the high command gave these officers responsibilities in elite Army units even though it was aware of their conduct.

"What reasons, what circumstances prevailed in making these appointments? Why didn't their service records reflect their pseudo-conspiratorial activities and failure to adapt to military life?"

This is why, paraphrasing an idiom, he says that "the blind man is not to blame; the one who gave him the club is."

[Majano] In your judgment, why were they assigned to these command posts?

[Fuenmayor] Ask the current defense minister; he was the one who assigned them.

Politicization of the Army

"When I was at the DIM, I expressed my concern over the politicization of the Army, and this is why I clashed with Penaloza. The country should remember that in the report to the defense minister and the president of the Republic I mentioned that Army officers had attended the two meetings of the Santa Lucia group in La Romana during my term. Not because they may have been conspirators but because the constitution, the FAN Law, and the Regulations on Garrison Service forbid the involvement of military personnel in political activities.

According to Fuenmayor, the postgraduate studies in political science that Penaloza did at USB [Simon Bolivar University] probably led him to become involved in the cutting edge of a situation that no one had dared consider.

"Nonetheless, under the laws that I mentioned, we must observe the rule of law, because our mandate is to safeguard the country's laws."

Publishers, Newsmen, and Frustrated Politicians

"When I left the DIM, I warned the administration, the FAN, and the political parties that there was a campaign

against the DIM and Gen. Fuenmayor as its director. The idea was to destroy the security agencies and especially 'electronic intelligence' in order to make it easier for the conspirators to act."

[Majano] Were the people who took part in this campaign involved in the military uprising?

[Fuenmayor] I have no doubt that publishers, newsmen, and frustrated politicians have links to the coup.

[Majano] And what was the plan of these groups?

[Fuenmayor] Their idea was to carry out a plan that would unquestionably end with a mock coup d'etat, the murder of the president, a grassroots uprising with looting, holdups, the killing of political leaders, chaos, after which someone whom I do not wish to name would take the reins of power. They would govern through a civilian-military junta for a while until they satisfied their appetite for power and profit, and then call elections.

[Majano] Who is the figure who would take power?

[Fuenmayor] I paint the picture. You supply the figure.

* Caldera on Coup Attempt, Presidential Candidacy

92SM0279A Caracas EL DIARIO DE CARACAS in Spanish 13 Feb 92 p 56

[Interview with former President Rafael Caldera by Enrique Rondon; place and date not given; first paragraph is editorial introduction]

[Text] In the following interview former President Caldera made these statements. Those of us senators who serve for life are not subject to the discipline of parties or party factions. I talked to President Perez early in the morning. He called me. He informed me of the facts and told me that he would keep me informed. The speeches which were made early in the morning of 4 February did not have the effect of calling out the people. I had the good fortune to tell the country, at the right time, what the country needed to hear.

[Rondon] Why did you not follow the party line, which consisted of approving the suspension of constitutional guarantees without any discussion?

[Caldera] First, because I was notified that a joint session of Congress had been called to consider the events of 4 February. At that time there was no decree suspending constitutional guarantees. At that time I expressed my desire to speak. In the second place, because I consider that the position of senators serving for life, of whom I am one, was not created in the Constitution to give one vote more to any of the congressional factions of the different political parties. If the Constituent Assembly considered that it should offer us the highest tribunal in the country to express our views on developments of importance whenever we might consider it necessary to do so, it was not to give one vote more to this or that political party. Rather, it was to place us above factional, political differences.

Therefore, I think that we senators appointed to life terms are not subject to party or factional discipline. It could be said that when the people elected us president of the Republic, they relieved us of party discipline. We did not subsequently become subject to that discipline because we continue to be senators serving for life.

[Rondon] What was your first reaction when you knew that the coup leaders intended to overthrow President Perez?

[Caldera] I thought that it was a crazy coup d'etat and that it had to be defeated. I followed the events which took place over the next few hours. The incidents began at midnight, and by dawn the coup had failed, at least in Caracas, where the basic targets are to be found when any coup takes place.

[Rondon] Was it difficult for you to get in touch with President Perez?

[Caldera] I was in touch with President Perez early in the morning. He called me. He told me what had happened and said that he would keep me informed. He made no request of me such as asking me to go to where he was, nor did he give any indication of where he was.

[Rondon] Did you ever think of making a public statement, as did Eduardo Fernandez?

[Caldera] I thought that if the situation had gone on, I would have had to plan the kind of action to be taken by the country's leaders. I thought of how communications might be handled. I considered an appeal to the major social groups because, to tell the truth, all of the statements made early in the morning, while they were worth listening to, did not amount to calling out the people.

[Rondon] Why do you think that your speech in Congress was so well received?

[Caldera] It is not for me to answer that question, although I have received numerous indications that public opinion, to an overwhelming extent, required, needed, and wanted to see a position taken like the one which I assumed.

[Rondon] However, the supporters of Eduardo Fernandez attacked the position you took in a very aggressive way.

[Caldera] I am not going to answer those attacks. They are miserable attacks which go to incredible extremes. Public opinion will provide the best answer to them. I do not know why this group, let us call it the supporters of Eduardo Fernandez, feels offended by a speech in which I did not touch on, mention, or attack Fernandez. It simply appears that they feel a sense of desperation because of the standing in the polls of the Fernandez

presidential candidacy. It may have seemed to them that my speech could affect or frustrate their illusions in this connection.

[Rondon] That kind of political activity, without any debate, denouncing an opponent, is undermining the people's belief in their leaders.

[Caldera] I did not engage in that kind of activity.

[Rondon] And do you agree that this kind of activity is doing harm?

[Caldera] I think that it is one of the things which undoubtedly damage our party leaders. What I think happened in this case is that I spoke to the country, and the rest of them spoke to the Congress. They spoke to political groups, without realizing that the entire country wanted to hear another kind of message. I did my duty and I regret that the situation has deteriorated to the extent that there has been a series of attacks. I repeat, I do not have to answer these attacks because the best answer is the approval of public opinion which, to an overwhelming extent, has favored me and has been enthusiastic about my position.

[Rondon] That kind of support by public opinion could be interpreted in two ways. One interpretation could be that Rafael Caldera continues to be a leader and could be president. The other is that Caldera is a leader and can continue to provide guidance to the people without being president. Which of these interpretations do you favor?

[Caldera] I must say that I had the good fortune to say to the country, at a specific moment, what the country needed to hear. The rest are secondary considerations which do not have to be discussed at this time.

[Rondon] Apart from COPEI [Social Christian Party], which figures in the Movement Toward Socialism [MAS] have suggested that you be a candidate for president?

[Caldera] It is not a matter of what they have proposed. The MAS is a political party which has its procedures and which will hold its convention in 1993, at which it will make its decision. Now, it is true that there is sympathy among many people and at many and varied levels in the MAS for the idea of my being a candidate for president. However, when we have exchanged ideas on this subject, which has happened frequently, it was perfectly well understood that we were not talking about my being a candidate of the MAS but rather that I might possibly, we might even say probably, be a candidate with broad, national support. As for the rest of it, I tell COPEI members that in 1983 we tried to convince the country of the need for a candidate with national appeal and that we were proposing such a candidate. At that time the country was not prepared to accept this offer. Now it is the country itself which is calling for a formula which is not on a political party basis but is above party limitations. I firmly believe that there is a considerable and growing number of COPEI supporters among the rank and file and even including some of the party leaders who realize that this is the formula which the country is calling for at this time.

[Rondon] Apart from the MAS, are there other political parties which are interested in your candidacy?

[Caldera] I cannot put myself in the position of giving you the names of the parties because, since I have not decided to present my candidacy at this time, it would be ridiculous to say that this person supports me and that another person over there supports me. In any case, I could name various parties and political groups which have shown great sympathy toward me. That does not mean that they are committed to support my possible candidacy. I have found an open disposition to support me in the National Integrity Movement [MIN], in the Authentic Revolutionary Organization [ORA]; in certain sectors, particularly the trade unions, of the People's Electoral Movement [MEP]; and among many people in the Democratic Republican Union [URD]. However, this does not mean that I am a candidate of those parties. I do not wish to use language which could give those groups a reason for stating, and quite fairly, that they have not yet decided anything. However, of course, there is an atmosphere which it would be ingenuous to try to deny. I have always thought that a COPEI contribution is essential to a formula of national understanding. How far will it go? What position will the group controlling the leadership of the party adopt? It seems to be determined on a single position, a single attitude. We do not know how the political life of the country will develop in the time left before the elections.

[Rondon] Do you think that all matters of national interest should be debated openly?

[Caldera] Certainly!

[Rondon] Including border problems?

[Caldera] I do not see why border problems should not be discussed openly. One fact is clear. Venezuelan public opinion takes a certain attitude toward the president's statements on this matter. Perhaps that consideration was the reason why President Perez adopted a clearly untimely and imprudent position when he announced the construction of a deep water port on the Gulf of Venezuela. Certainly, those statements were made to gain the support of the people and to convince them that his position is firmly in the defense of the rights of Venezuela. However, he subsequently issued a series of clarifications, statements and, counter statements which worsened the situation. I think that this is a matter which should be handled in a very prudent, open, and firm way.

[Rondon] What would you do if a person in whom you have confidence should invite you to participate in a coup d'etat?

[Caldera] I would tell him: you are making a very serious mistake. However well considered your reasons and understandable your attitude may be, keep away from that.

However, you are asking me a hypothetical question which in fact has already been asked. Gen Castro Leon talked to me on several occasions before undertaking his attempted coup d'etat. I told him: General, do not become involved in this madness. Concentrate your efforts on taking care of the Armed Forces and on developing their institutions and leave politics to the politicians.

[Rondon] Do you think that politics is only for politicians?

[Caldera] Politics is for everyone and affects all of us. However, we politicians have the principal responsibility. In the only meeting which I had with President Perez Jimenez, which took place on 2 December 1952, I told him: leave politics to the politicians. There is a critical situation here, but it can be resolved politically.

[Box p 56]

Between Hatred and Love

Rafael Caldera was the most outstanding figure on 4 February. His speech in Congress, carried fully and live on television, produced two reactions: support and acceptance by the majority of the people and rejection by the supporters of Eduardo Fernandez in COPEI. Caldera, the senior leader of the party, did not accept the party line of approving without debate the suspension of constitutional guarantees. He spoke, criticized others, and was criticized himself by still others.

A poll commissioned by EL DIARIO DE CARACAS from Mercanalisis, published on 8 February in the supplement of the newspaper entitled, "The Day Which Made Democracy Tremble," contains figures which place Caldera in a position of great responsibility in the view of public opinion.

He won much more support than President Carlos Andres Perez (58 percent to 6 percent) when those polled were asked: "Which of the leaders who made public statements demonstrated more ability to lead public opinion correctly in difficult situations?"

Regarding his speech in Congress, 73 percent of those polled considered that it provided "better guidance." At the other extreme of the poll sample were David Morales Bello with seven percent and Jose Rodriguez Iturbe, with four percent.

These results have placed Rafael Caldera somewhere between absolute hatred and love.

* Common People Reject Military Dictatorship

92SM0282A Caracas EL UNIVERSAL in Spanish 10 Feb 92 First Section p 14

[Article by Giuliana Chiappe]

[Text] The Venezuelan people did not play an active role in the events of February 4 but were unwilling participants, concerned mainly with finding food and not in participating in demonstrations on behalf of anyone.

The disbelief expressed by most politicians became inertia.

The people were not brave but when it comes to a choice they prefer democracy, with all its errors. The question was asked at several locations in Caracas.

On February 4, while she waited her turn at a grocery store, Linda Alfonzo understood the reasons that might have motivated the failed coup attempt, but she did not support it.

"The reasons could be that things are very expensive and that we are hungry. But, in any case, a military government would not be good," said this textile worker who lives in Monte Piedad.

Linda has a five-year old son who she sends to school in Oriente.

"That is the only way I can be at peace, because he lives in a peaceful town."

A veteran of the Spanish Civil War, Juan Cuenca is opposed to any government that is not elected by the people.

"I am against a military coup. Democracy is freedom. If the rebels had won, right now I would not be able to speak, because there is no freedom of expression. The mistakes of a democracy are not corrected by a dictatorship. I fought against Franco and that is why I have been here in Venezuela for 40 years. I am a political exile," says Cuenca, president of the La Carlota Neighborhood Association.

Domingo Mata Vila, an employee in the Ministry of Justice, believes that the rebels should call themselves something else.

"Saboteurs, that is what they are. What did they accomplish? What did they gain? I prefer to live with democracy as it is."

Two young women, residents of Catia, never lived under a dictatorship, and they do not want to try it.

They are Jessica Marrero and Celia Gonzalez. The former works in a factory that makes cosmetics, eau de cologne and diapers, and her friend in the Ministry of Health, located in the towers of El Silencio.

"I think that the coup was brought about by the hunger that affects the country. But democracy is better because one has freedom. What we have to do is correct its mistakes, work more for the people. A military government...what for?" says Jessica.

Years ago, when life was more natural, older people had premonitions about changes from the ordinary. So that, if a woman had a pain in her big toe it meant rain, or if a grandfather felt chills in his teeth there was going to be an

earthquake. Mrs. Graciela de Albrecias, who lived through World War II, had a premonition about the coup.

"I do not agree with the military uprising, but somehow I knew it would happen. I believe it was because of the inflation, the lack of security, problems in general. But a dictatorship would not solve them."

Rafael Rosario is 19 years old and suffers the effects of a bad economy. He does not study and he is unemployed.

"Nevertheless, I would rather live in a democracy. A military coup would not make sense."

Carmen de Soler, a resident of eastern Caracas, remembers the government of dictator Marcos Perez Jimenez.

"Military rule is horrible! I am against it under any circumstance."

A few outbreaks involving the common people occurred on January 23, in Antimano and on Sucre de Catia Avenue, near the mental hospital.

Nevertheless, there was little looting, and the disorder was caused by a small proportion of the inhabitants of those neighborhoods. Most people stayed home and did not go out on the streets, as they did on February 27, 1989. On that occasion, people were caught up in a movement that they mistakenly believed would solve some problems. But this time they did not believe in the rebels, although neither did they wish to defend the government because they were troubled by corruption and the harsh economic measures.

Guyana

Commonwealth Election Observers 'Encouraged'

FL0603025492 Bridgetown CANA in English 2333 GMT 5 Mar 92

[Text] Georgetown, Guyana, March 5, CANA—The head of a two-man election observer team from the Commonwealth secretariat in London, said Thursday he was "encouraged" by the electoral progress so far in Guyana, but there is need for confidence to be boosted among political parties and the electorate.

"Our impressions so far are that while there are still problems which have to be addressed and processes which have to be finalised, there has been some progress," Sir Anthony Siaguru, deputy Commonwealth secretary general, told CANA. General elections were postponed last year with opposition requests for reform to prevent vote rigging which parties charge has kept the government in power since 1966.

"We are encouraged by the progress we see happening, but it is a question of getting the people and the parties who are going to be involved in this process to build confidence in the system and that is something which, at this stage, we are looking to establish when we go from here," he said. Sir Anthony is accompanied on his six-day monitoring mission of preparatrions for a general election, by Richard Nzerem, assistant director of the legal division of the secretariat.

They have since held discussions with representatives of the ruling People's National Congress (PNC) and Elections Commission Chairman Rudy Collins. They are to meet several other opposition parties, including the People's Progressive Party (PPP).

Siaguru said the electoral process is heading in the "right direction," adding there have been several "positive developments," since his first visit here in September, 1990.

Guyanese groups, said Sir Anthony, have to determine when there is enough confidence to allow a general election. "That is something which the internal processes of Guyana and the Guyanese groups have to determine for themselves. No one from outside can come in and tell the Guyanese...This is what you should be doing...this is what you should not be doing. That is a process that is peculiarly Guyanese," Siaguru said.

Commonwealth secretary general, Chief Emeka Anyaoku, is to decide the secretariat's next step after he is briefed by the team on their return to London this weekend.

Hoyte: Press 'Distorted' Statements on Elections

FL0503183192 Bridgetown CANA in English 1656 GMT 5 Mar 92

[CANA editorial notation: "From the Guyana Public Communications Agency"]

[Text] Georgetown, Guyana, March 4, (GPCA) [Guyana Public Communications Agency]—The office of the president has today issued the following statement:

The STABROEK NEWS and MIRROR newspapers have completely distorted statements made at a press conference held on February 26, 1992 by visiting European Economic Community (EEC) parliamentarians with regards to discussions held with the president on the subject of election procedures.

The president is constitutionally able and bound to name a date for the holding of elections only after the chairman of the elections commission officially informs him that a verifiable voters' list is ready for presentation to the electorate. The president has not been so informed and therefore is not in a position to promise nor name a date for the holding of elections.

President Hoyte was neither urged nor requested by the EEC parliamentarians, when meeting with them, to make any commitment with regards to the setting of a date for general elections nor did the president make any commitment in this regard.

Reference to the transcript of the press conference held by the parliamentarians on February 26, 1992, does not support the headlines and reports appearing in the STABROEK NEWS of February 27, 1992, and in the

MIRROR newspaper of March 1, 1992, which claimed that "European MP's [Members of Parliament] say Hoyte promises elections by September", and "European MP's urged Hoyte to fix election deadline," respectively. These reports are a complete fabrication and totally irresponsible.

The STABROEK NEWS reported that "Dutch member of the European Parliament, Jan-Willems Bertens, said the team told Hoyte that a "deadline should be fixed for elections." The newspaper also reported that "European parliamentarians on a fact finding mission here say President Desmond Hoyte told them that long-awaited general elections will be held between June and September this year." No such statements were made at the press conference.

In response to a reporter's question on the holding of elections at the press conference held by the parliamentarians, and on the discussion with the president, Mr. Niall Andrews [European Parliament member] responded: "What we should mention—His (the president) response is that the elections commission should report in March, early March. Some people have suggested mid-March; some people suggest early March; some suggest late in March—but in March. Then he suggested that maybe June or September."

Mr. Jan-Willems Bertens then added: "Between June or September when the elections commission is ready with the voting list then maybe June or September."

Broadcasting to the nation on Thursday, November 28, 1991, the president explained in some detail the reason for proclaiming a state of emergency and procedures for recalling Parliament so that a verified voter's list can be presented to the electorate for the holding of elections. The president has adhered strictly to the undertakings he gave the nation in that broadcast.

The elections commission has been fully empowered to carry out its responsibility for the holding of general elections with the full confidence of the people of Guyana. The president emphasised during his broadcast that it is not in the interest of his party and his government to delay the elections. He said: "I want the economic recovery programme to continue to show successes and lead ultimately to the goal of sustained economic growth, national development, and prosperity.

"We therefore need to get the elections behind us so that we could devote our time and energies fully to strengthening our economy and promoting better conditions of life for the Guyanese people." The president remains committed to that position.

Renewed Diplomatic Ties With Israel Reported

FL1003000992 Bridgetown CANA in English 2001 GMT 9 Mar 92

[Text] Georgetown, Guyana, March 9, CANA—Guyana and Israel are to restore diplomatic relations after an 18-year break, State Radio reported here Monday.

The two countries are to discuss accrediting ambassadors to normalise diplomatic ties.

Guyana broke ties with the Jewish state in March 1974, after the Nonaligned Movement urged the action over the outbreak of hostilities in the Middle East.

Guyana had expressed solidarity with the Arab people.

The restoration is prompted by the continuing Middle East peace talks between Israel and the Arabs.

Surinamese Delegation Seeks Advice on Economics

FL0903124692 Bridgetown CANA in English 2213 GMT 7 Mar 92

[Text] Georgetown, Guyana, March 7, CANA—A Surinamese trade delegation has been seeking advice here on how to tackle economic problems now being faced by the Dutch-speaking South American country, according to Yesu Persaud, joint chairman of the recently-formed private sector commission. He told the CARIBBEAN NEWS AGENCY (CANA) the team is also here to see how Guyana is faring under International Monetary Fund (IMF) "structures."

"We explained to them there are a number of problems they are likely to face and how they could avoid those problems," Persaud said.

The commission met the visiting delegation late Thursday. "There are problems Guyana went through in the 70's into the 80's and some of those problems are already being faced in Suriname," Persaud reported.

He cited the artificial exchange rate, which he said was now "reigning" in the Dutch-speaking country, as one of the major problems. "This has been causing quite some problems on our side because Suriname is one of the areas of illegal trade and we are being flooded with goods not from Suriname, but coming via Suriname into Guyana.

"It is making it very difficult for the productive sectors," Persaud, also president of the Guyana Manufacturers' Association (GMA), told CANA.

Guyana, he said, could be a good learning example for Suriname, but a lot depends on how they approach these problems. The local private sector has repeatedly complained to the Guyana Government of Guyanese goods being uncompetitive because of the thriving multi-million dollar black market trade between Guyana and Suriname. Millions of dollars worth of cigarettes, canned foods, and soft drinks are smuggled into Guyana through many areas and sold cheaper than the locally produced goods. The Customs and Excise Department loses billions of Guyana dollars through untaxed goods despite beefing up its manpower.